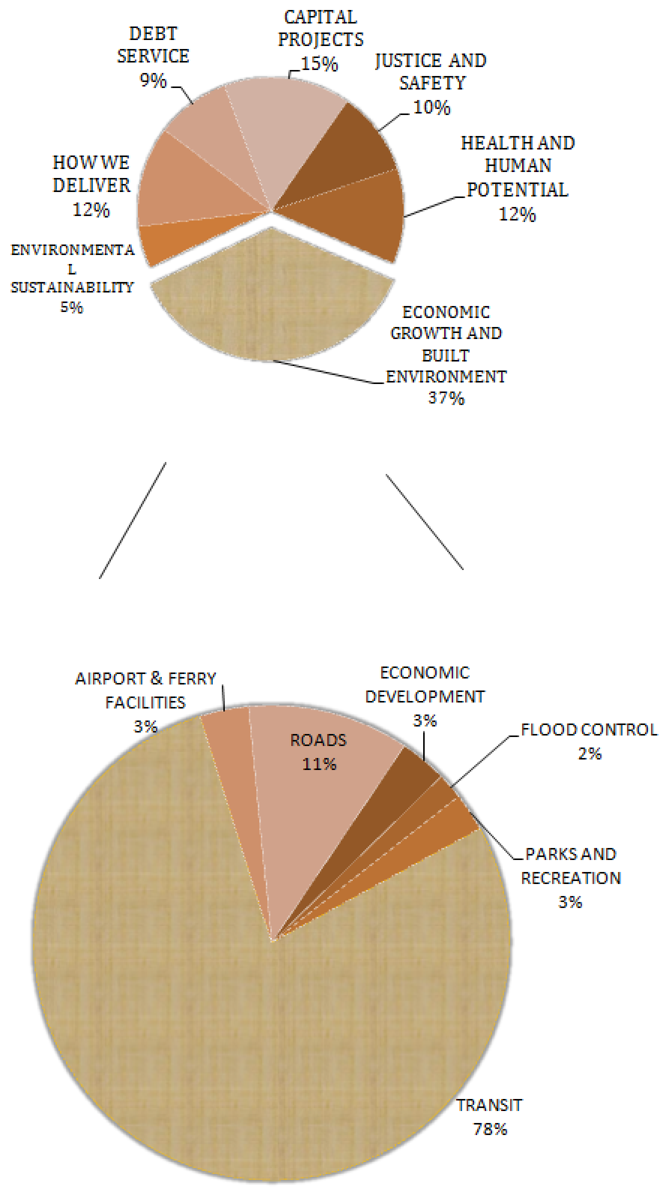
ECONOMIC GROWTH AND BUILT ENVIRONMENT

ECONOMIC GROWTH AND BUILT ENVIRONMENT

$2.0 BILLION



Organization of the Pie Chart: The following agencies were combined to make the pie chart more readable.
Roads: Roads, Stormwater Decant, and Transfers
Parks and Recreation: Parks & Recreation, Youth Sports Facilities Grants, Expansion Levy, Community Development
Flood Control: Intercounty River Improvement, River Improvement, King County Flood Control
Airport and Ferry Facilities: Airport and Marine Services
Transit: Transit and DOT Administration
Includes 2012/2013 Bienniial Budget for DOT agencies and DDES agencies.
Due to rounding, figures may not add to 100%.

Source: Program Plan Summary page (Found at the end of the section).

INTRODUCTION

The Economic Growth and Built Environment goal of the King County Strategic Plan is to "Encourage a growing and diverse King County economy and vibrant, thriving, and sustainable communities." To accomplish this goal, the county will link related programs and activities to establish the framework for creating prosperous, healthy and livable communities. This goal encompasses economic development, transportation, planning and permitting, trails, and our rural activities and services. This goal recognizes the importance of working together to improve the quality of life for all residents.

Major lines of business contained and presented within this goal area are the Employment and Education Resources program, Federal Housing and Community Development Program, and Housing Opportunity Fund within the Department of Community and Human Services (DCHS), the Department of Development and Environmental Services (DDES), the Department of Transportation, and the Parks Division and Flood Control appropriation units within the Department of Natural Resources and Parks (DNRP). Other county organizations, including the remaining divisions within DNRP and the Department of Executive Services (DES), are presented within other goal areas of this book, but also deliver programs and services that are critical to the delivery of strategies in this goal area.

The Economic Growth and Built Environment goal team, which is made up of representatives from DCHS, DDES, DES, DNRP, DOT, the Department of Public Health (DPH), and the Executive Office, is charged with overseeing and implementing its respective portion of the King County Strategic Plan. King County is prioritizing partnerships to advance regional initiatives to support a strong, diverse, and sustainable economy. King County is working to improve the economy through participation in the update of Prosperity Partnership's Regional Economic Strategy; partnerships with cities on industrial redevelopment and retention/expansion of our vital aerospace industry; support for enterprise Seattle's retention, expansion and targeted recruitment activities; and partnership with the Workforce Development Council to develop a skilled workforce for the future. King County will continue to shape the built environment to allow communities to flourish by providing transportation services and infrastructure that enables access to jobs, education, services, recreation, and other destinations and prioritizing trail acquisitions that complete missing links in the trail system. King County continues to be a leader in growth management by limiting sprawl and protecting farm and forest lands. King County continues to emphasize working collaboratively with rural residents, small business owners, and small-scale farmers and foresters to make sure the rural area remains both economically and environmentally viable.

The 2012 / 2013 Proposed Budget supports continued efforts to implement the strategies of the Economic Growth and Built Environment goal as demonstrated by the following highlights.

- Within DCHS, the 2012 Proposed Budget includes a reorganization of youth and adult employment and education programs into a renamed appropriation unit, Employment and Education Resources. Programs serving youth and adults with employment and education activities have been streamlined in one management structure to create efficiencies, to unify DCHS' approach to youth services, and to better align work with the King County Strategic Plan.

- In the 2012 Proposed Budget, DDES will continue its core work, however, due to significant reductions in permitting revenue the Department continues to reduce staff. Recognizing the relationship between the effective resolution of certain code violations on private property and the goal of achieving livable, vibrant communities, the Department has proposed increased General Fund revenue for its Abatement Fund, which supports enforcing building codes and reducing negative impacts on the environment.

- DDES has also proposed delegating authority to fire authorities within the County to perform permitting and fire safety inspections required under State law. In doing so, these local fire authorities gain additional insight and knowledge about the building infrastructure in their respective jurisdictions. At the same time, DDES gains efficiencies in its resource allocations and promotes a cooperative relationship with the participating local agencies. This proposal aligns with the goal of promoting productive partnerships to achieve positive results for the County's residents.

- The current Parks Operating and Expansion Levies expire in 2013. The Parks Division will be developing new levy proposals in 2012 that will guide future investment in County parks, trails, and open space in support of KCSP goals.

- 2012 will be the first full year of operations for the Brightwater Wastewater Treatment Plant, which creates capacity for economic growth in the region.

- The Water and Land Resources Division in DNRP will continue to work with regional partners to develop sustainable funding models for agriculture and forestry stewardship programs.

- Facing a growing funding challenge for road infrastructure, the Road Services Division will implement a new tiered service approach guided by the Strategic Plan for Road Services, which will prioritize work on roadways most critical to the road network. The funding gap will result in a reduction of service levels for the roads in unincorporated King County in order to maintain services on the most used roads at a sustainable level.

- The recently approved Congestion Reduction Charge will help King County meet the growing need for transit service and stem the loss of transit service hours for the next biennium. King County will continue to seek stable long-term funding for transit to address current needs and expected growth. The Transit Division within DOT is implementing the service guidelines in the newly adopted strategic plan that maximize productivity across the system while maintaining equity and social justice values, geographic value, and service quality.

Further descriptions of these programs can be found in the respective agency budget narratives.

Community and Human Services

2012 Proposed Budget for

Employment and Education Resources 2240/0936

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	10,361,128	60.28	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	78,226	0.00	0.00
Direct Service Changes				
DS01	Reduction in Youth Programs	(440,902)	(1.00)	0.00
Efficiency Reductions				
ER01	Efficiency Efforts in Youth Programs	(181,985)	(2.00)	0.00
ER02	Efficiency Effort in Adult Programs	(558,061)	(3.00)	0.00
		(740,046)	**(5.00)**	**0.00**
Program Changes				
PC01	Youth Services Transfer to WTP	1,908,030	1.00	0.00
Revenue Backed Changes				
RB01	Back-to-School / Employment Programs	265,000	0.00	1.00
RB02	Avanza (Latino Youth) Program	115,000	0.00	0.00
		380,000	**0.00**	**1.00**
Central Rate Changes				
CR01	Flexible Benefits	(30,156)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(7,420)	0.00	0.00
CR08	Technology Services Infrastructure Charge	(7,832)	0.00	0.00
CR10	KCIT Operations Charge/Rebate	(13,524)	0.00	0.00
CR11	Telecommunications Services	(39,627)	0.00	0.00
CR12	Telecommunications Overhead	(19,912)	0.00	0.00
CR13	Motor Pool Rate Adjustment	(2,605)	0.00	0.00
CR14	Facilities Management Space Charge	(127,807)	0.00	0.00
CR21	Debt Service Adjustment	1	0.00	0.00
CR22	Long Term Leases	39,554	0.00	0.00
CR25	Financial Service Charges	(43,016)	0.00	0.00
CR26	Retirement Rate Adjustment	20,082	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(3,565)	0.00	0.00
CR36	Property Services Lease Administration Fee	722	0.00	0.00
CR37	Facilities Management Strategic Initiative	(111)	0.00	0.00
CR38	Major Maintenance Repair Fund	111	0.00	0.00
CR46	KCIT Technology Projects	14,204	0.00	0.00
CR48	Business Resource Center	42,409	0.00	0.00
		(178,492)	**0.00**	**0.00**
Technical Adjustments				
TA01	Technical Adjustments	0	0.00	0.00
TA02	Technical Adjustments to Distribute Program Expenditures	0	0.00	0.00
TA39	COLA Adjustment	(14,612)	0.00	0.00
		(14,612)	**0.00**	**0.00**
	2012 Proposed Budget	**11,353,332**	**55.28**	**1.00**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Employment and Education Resources

PROGRAM HIGHLIGHTS

The Employment and Education Resources (EER) Fund is administered in the Department of Community and Human Services. In order to better reflect the expanding role this agency plays in the life skills and career development of its clients, the agency formerly known as the Work Training Program was re-named Employment and Education Resources. It has two sections, youth employment and work training and adult work training, which are supported through a variety of grants and fund sources and leveraged in large part by a transfer from the Children and Family Services (CFS) Fund. The most stable grant source is the federal Workforce Investment Act, allocated through the Workforce Development Council. Revenues to the fund support programs for at-risk youth, homeless persons, employers, job seekers, King County Jobs Initiative, and the Dislocated Worker Program.

The total 2012 Proposed Budget for Employment and Education Resources is $11,353,332 with 55.28 FTEs and 1.00 TLT.

Adjustments to Base Budget

2011 Service Levels Adjusted for 2012 Costs – $78,226 Expenditure. Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and select other operating costs and implement various other salary changes resulting in a net change of $78,226 in expenditures from the 2011 Adopted Budget.

Direct Service Change

Reduction in Youth Programs – ($440,902) Expenditure / ($577,900) Revenue / (1.00) FTE. In response primarily to the loss of the federal YouthBuild grant funding, this proposal eliminates a vacant social worker position and ends the contract with the Children's Home Society for the Early Head Start program. This contract was specifically targeted towards young Latino parents and served up to 60 participants at a time.

Efficiency Reductions

Efficiency Efforts in Youth Programs – ($181,985) Expenditure / (2.00) FTEs. This proposal anticipates federal funding reductions and is an attempt to preserve for as long as possible direct services. The agency proposes to do this through the elimination of two recently vacated administrative positions.

Efficiency Efforts in Adult Programs – ($558,061) Expenditure / ($18,183) Revenue / (3.00) FTEs. This proposal anticipates federal funding reductions and is an attempt to preserve for as long as possible direct services. The agency proposes to do this through the elimination of three recently vacated administrative positions and the reclassification of two others.

Program Changes

Youth Services Transfer to Employment and Education Resources – $1,908,030 Expenditure / $1,908,030 Revenue / 1.00 FTE. In order to better coordinate the oversight, direction and management of the County's funding of community contracts for Youth and Family Service Agencies (YFSA) and Juvenile Justice Intervention (JJI) programs, this proposal shifts the contract funding and contract manager's position from Community Services – Operating (CSO) to the EER. The EER has better capacity to manage these contracts and programs and in doing so the department will be enhancing the coordination of youth services within the Community Services Division (CSD).

Revenue Backed Changes

Back to School / Employment Programs – $265,000 Expenditure / $265,000 Revenue / 1.00 TLT. This proposal represents the 2012 funding level required for the one-year continuation of the gang intervention program that is to be started in 2011 using funds from the Criminal Justice Reserve. The funding of this program will provide for case-management services for 80 moderate to high-risk south King County youth who are already involved in the in the juvenile justice system.

Avanza (Latino Youth) Program – $115,000 Expenditure / $115,000 Revenue. This proposal represents the 2012 funding level required for the one-year continuation of the gang intervention program that is to be started in 2011 using funds from the Criminal Justice Reserve. The funding of this program will provide for case-management services for 30 Latino youth in the Highline School District who are at risk of involvement in the juvenile justice system.

Central Rate Changes

Central Rate Adjustments - ($178,492). This series of adjustments captures the net effect of changes in countywide charges from the 2011 Adopted Budget, and results in a ($178,492) decrease in charges to EER. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific charges are detailed in the central rate changes section of the agency's crosswalk.

Technical Adjustment

Technical Adjustments – $0 Expenditure / $0 Revenue / 0.00 FTE / 0.00 TLT. Due to the requirements of the Budget Transparency Ordinance, these technical adjustments are necessary to shift a staff position from the Adult Training section of the EER over to the Youth Training section. Also, there is a net zero change at the appropriation level that is required to align the budget systems to the actual accounts being used by the agency.

COLA – ($14,612). The Cost of Living Adjustment (COLA) reflects the change from the preliminary Office of Economic and Financial Analysis forecast of 1.77 percent to the final 2012 COLA rate of 1.63 percent.

2012 Proposed Financial Plan
Employment and Education Resources Fund[1] / 2240

	2010 Actual [2]	2011 Adopted	2011 Estimated	2012 Proposed	2013 Projected	2014 Projected
Beginning Fund Balance	710,725	483,555	(46,762)	400,880	784,436	431,033
Revenues						
* Youth Training Revenue	3,855,139	4,935,796	4,613,256	4,357,896	4,357,896	4,357,896
* CFS Transfer EER	1,371,390	1,212,892	1,196,090	3,484,120	3,104,120	3,104,120
* Adult Training	3,830,915	3,913,055	3,803,271	3,894,872	3,894,872	3,894,872
Total Revenues	**9,057,444**	**10,061,743**	**9,612,617**	**11,736,888**	**11,356,888**	**11,356,888**
Expenditures						
* Youth Training Program	(5,474,646)	(5,713,797)	(5,158,186)	(7,380,081)	(7,000,081)	(6,829,070)
* Adult Training Program	(4,340,285)	(4,647,331)	(4,154,615)	(3,973,251)	(4,636,244)	(4,489,233)
* ABT Debt Service [3]					(73,966)	(73,966)
* 3rd Omnibus Supplemental			147,826			
Total Expenditures	(9,814,931)	(10,361,128)	(9,164,975)	(11,353,332)	(11,710,291)	(11,392,269)
Estimated Underexpenditures [4]						
Other Fund Transactions						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	(46,762)	184,170	400,880	784,436	431,033	395,652
Less: Reserves & Designations						
* Reserve for FairShare Operations		(50,000)	(50,000)			
Total Reserves & Designations	0	(50,000)	(50,000)	0	0	0
Ending Undesignated Fund Balance	(46,762)	134,170	350,880	784,436	431,033	395,652
Target Fund Balance [5]	0	0	0	0	0	0

Financial Plan Notes:

[1] Prior to the 2012 Proposed Budget this was known as the Work Training Fund.

[2] The 2010 Actuals are from the 2009 CAFR and 14th Month ARMS.

[3] This charge represents the estimated debt service for the Accountable Business Transformation (ABT) Program

[4] There is no underexpenditure required of this fund.

[5] There is no target fund balance required of this fund.

2012 Proposed Budget for

Federal Housing and Community Development 2460/0350

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	20,868,971	35.50	1.50
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	35,973	0.00	0.00
Program Changes				
PC01	CDBG Entitlement Reduction	(1,103,485)	0.00	0.00
PC02	HOME Entitlement Reduction	(517,386)	0.00	0.00
PC03	Other Grant Expenditure Changes	684,721	0.00	0.00
PC04	Staff Level Changes	0	0.00	0.00
		(936,150)	**0.00**	**0.00**
Central Rate Changes				
CR01	Flexible Benefits	(25,608)	0.00	0.00
CR05	General Fund Overhead Adjustment	36,599	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(6,180)	0.00	0.00
CR08	Technology Services Infrastructure Charge	14,182	0.00	0.00
CR10	KCIT Operations Charge/Rebate	(9,012)	0.00	0.00
CR11	Telecommunications Services	11,240	0.00	0.00
CR12	Telecommunications Overhead	4,133	0.00	0.00
CR13	Motor Pool Rate Adjustment	17,547	0.00	0.00
CR14	Facilities Management Space Charge	32,344	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(25,750)	0.00	0.00
CR22	Long Term Leases	(33,038)	0.00	0.00
CR25	Financial Service Charges	64,547	0.00	0.00
CR26	Retirement Rate Adjustment	6,341	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(2,402)	0.00	0.00
CR36	Property Services Lease Administration Fee	298	0.00	0.00
CR37	Facilities Management Strategic Initiative	92	0.00	0.00
CR38	Major Maintenance Repair Fund	1,774	0.00	0.00
CR46	KCIT Technology Projects	9,507	0.00	0.00
CR48	Business Resource Center	16,459	0.00	0.00
		113,073	**0.00**	**0.00**
Technical Adjustments				
TA01	Labor Accounts and Revenue Adjustments	(1,181,710)	0.00	0.00
TA39	COLA Adjustment	(5,042)	0.00	0.00
		(1,186,752)	**0.00**	**0.00**
	2012 Proposed Budget	**18,895,115**	**35.50**	**1.50**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Federal Housing and Community Development

PROGRAM HIGHLIGHTS

The Federal Housing and Community Development (FHCD) Fund is administered in the Department of Community and Human Services. It contains revenue from federal sources, primarily the Department of Housing and Urban Development (HUD). There are three sections to the budget, including Community Development Block Grant (CDBG), HOME Investment Partnerships, and Other Programs. FHCD supports a range of efforts, including homeless prevention, housing repair, low-income and special needs housing development and community development projects.

The total 2012 Proposed Budget for the Federal Housing and Community Development (FHCD) appropriation unit is $18,895,115 with 35.50 FTEs and 1.50 TLTs.

Adjustments to Base Budget

2011 Service Levels Adjusted for 2012 Costs – $35,973 Expenditure. Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and select other operating costs and, implement various other salary changes resulting in a net change of $35,973 in expenditures from the 2011 Adopted Budget.

Program Changes

CDBG Entitlement Reductions – ($1,103,485) Expenditure / ($1,103,485) Revenue. Reductions in federal CDBG have resulted in the decreases of funds available for affordable housing, efforts at ending homelessness and community development activities and staffing.

HOME Entitlement Reductions – ($517,386) Expenditure / ($517,386) Revenue. Reductions in federal HOME Grants have resulted in the decreases of funds available for affordable housing capital projects and housing repair programs.

Other Grant Expenditure Changes – $684,721 Expenditure / $684,721 Revenue. This proposal is the net of changes to the other grant sources available to FHCD, primarily a $1.3 million increase in federal Shelter Plus Care grants for disabled persons offset by the elimination of the state's THOR Grant. These changes result in the expansion of some programs such as rental assistance for disabled homeless persons and the reduction or elimination of others like funding of energy efficiency conservation enhancements of affordable housing.

Staff Level Changes – $0 Expenditure / $0 Revenue / 0.00 FTEs / 0.00 TLTs. Due to projected reductions in workloads for an engineering position and a fiscal specialist, these two positions are reduced to half-time. The resulting FTE authority freed up by this move will be used by a newly created planner/evaluator position to focus primarily on Housing Opportunity Fund (HOF) projects. Because HOF is a capital fund, the FTE authority for this new position must be assigned to FHCD.

Central Rate Changes

Central Rate Adjustments - $113,073. This series of adjustments captures the net effect of changes in countywide charges from the 2011 Adopted Budget, and results in a $113,073 increase in charges to FHCD. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific charges are detailed in the central rate changes section of the agency's crosswalk.

Technical Adjustments

Labor Accounts and Revenue Adjustments – ($1,181,710) Expenditure / ($1,077,430) Revenue. Changes in funding levels, especially within HOF, requires annual adjustments to the loan-in/loan-out labor accounts of FHCD. Because HOF is a capital fund, FTE authority for the staff that manages HOF lies within FHCD. Also included in this proposal is a truing up of the anticipated 2012 revenues.

COLA – ($5,042). The Cost of Living Adjustment (COLA) reflects the change from the preliminary Office of Economic and Financial Analysis forecast of 1.77 percent to the final 2012 COLA rate of 1.63 percent.

2012 Proposed Financial Plan
Federal Housing and Community Development Fund / 2460

	2010 Actual[1]	2011 Adopted	2011 Estimated	2012 Proposed	2013 Projected	2014 Projected
Beginning Fund Balance	1,337,910	772,417	1,337,850	1,442,898	1,508,222	1,518,932
Revenues						
* Community Development Block Grant (CDBG)	6,575,161	6,893,139	6,893,139	5,178,759	5,178,759	5,178,759
* Neighborhood Stabilization Program (NSP)	482,589	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
* HOME	3,812,563	4,486,441	4,486,441	3,911,709	3,911,709	3,911,709
* Emergency Shelter Grant	192,231	200,000	200,000	270,000	270,000	270,000
* HPRP	403,318					
* Shelter Plus Care HUD Direct	5,592,393	5,600,000	5,600,000	6,853,392	6,853,392	6,853,392
* McKinney Homeless HUD Direct	1,107,853	1,055,000	1,055,000	1,055,000	1,055,000	1,055,000
* State Transitional & Homeless (Not Pass Through)	1,428,381	1,100,000	1,100,000			
* ARRA Stimulus Grants	1,579,354					
* Rural Housing Service HOME Repair Loans		4,439	4,439	4,439	4,439	4,439
* Small Business Loan Program (Subfund 2461)	9,853					
* Miscellaneous Revenue/Adjustment	92,348	35,000	35,000	87,140	87,140	87,140
* Carryover Revenue			14,720,948			
Total Revenues	**21,276,043**	**20,974,019**	**35,694,967**	**18,960,439**	**18,960,439**	**18,960,439**
Expenditures						
* Community Development Block Grant	(7,407,522)	(6,693,366)	(6,663,832)	(5,846,430)	(5,846,430)	(5,846,430)
* HOME	(4,005,875)	(4,489,988)	(4,460,454)	(3,916,807)	(3,916,807)	(3,916,807)
* Other Housing & Community Development	(9,862,706)	(9,685,617)	(9,656,082)	(9,131,878)	(9,131,878)	(9,131,878)
* 2010 Carryover of Project Balances			(14,720,948)			
* 3rd Omnibus Supplemental			(88,603)			
* ABT Debt Service [2]					(54,614)	(54,614)
Total Expenditures	(21,276,103)	(20,868,971)	(35,589,919)	(18,895,115)	(18,949,729)	(18,949,729)
Estimated Underexpenditures [3]						
Other Fund Transactions						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	1,337,850	877,465	1,442,898	1,508,222	1,518,932	1,529,642
Less: Reserves & Designations						
* Committed to Projects	(14,720,948)					
* Revenues Associated with HUD Letter of Credit	14,720,948					
Total Reserves & Designations	0	0	0	0	0	0
Ending Undesignated Fund Balance [4]	1,337,850	877,465	1,442,898	1,508,222	1,518,932	1,529,642
Target Fund Balance [5]	0	0	0	0	0	0

Financial Plan Notes:

[1] The 2010 Actuals are from the 2010 CAFR and 14th Month ARMS.

[2] This charge represents the estimated debt service for the Accountable Business Transformation (ABT) Program which begins

[3] There is no underexpenditure required of this fund.

[4] The ending Undesignated Fund Balance combines Fund 2460 with three subfunds, 2461, 2462 and 2463. All of the ending undesignated

[5] There is no target fund balance for Fund 2460 or any of the subfunds.

Development and Environmental Services

DEVELOPMENT AND ENVIRONMENTAL SERVICES

Mission:

Development and Environmental Services

To serve, educate and protect our community by shaping and implementing King County's development and environmental regulations.

OVERVIEW

The Department of Development and Environmental Services (DDES) is responsible for regulating and permitting all building and land use activity in unincorporated King County. The department's core business programs are permit review and inspection, and code enforcement in the rural area. Financially, DDES is primarily a special revenue fund, with a permit review/inspection program that is supported entirely by fees charged to applicants. Relatively small General Fund contributions to DDES support code enforcement and agricultural permitting assistance.

It is the primary mission of DDES to enforce the building and land-use codes that keep people safe in their homes and communities. Enforcement includes both approval of permitted development and investigation and correction of un-permitted development. Land use regulations applied by DDES promote desirable environmental practices. DDES also supports the Executive Office in land-use planning policy that responds to the needs of residents, businesses, services, and schools. Lastly, streamlined permitting and subsidized agricultural permitting support sustainable farm and forestry practices.

Department Organization and Budget

DDES is organized into four main sections, each of which is listed below along with associated expenditure and FTE information. The operations of each of these sections are described below.

Director's Office
The Director's Office coordinates with the Executive's Office and the County Council, supports comprehensive planning, manages special projects, addresses customer service issues, and provides human resources services.

Administrative Services Division (ASD)
Staff in the ASD provides financial management and accounting services to the agency.

Building and Fire Services Division (BFSD)
Services provided by the BFSD include application intake processing services for the entire department and review of development proposals for compliance with the King County building and fire codes. The BFSD also responds to code enforcement complaints and coordinates abatement.

Land Use Services Division (LUSD)
The LUSD reviews development applications and conducts inspections to ensure that grading, clearing, site development, and other aspects of land use occur in conformance with King County standards and that critical areas are protected.

Executive Priorities Considered in 2012 Business Planning and Budget Development

The Executive's 2012 priorities to advance the KCSP and inform the 2012 Proposed Budget spotlighted consideration of Equity and Social Justice; attainment of a 3 percent efficiency target while maintaining value and service levels; and KCSP alignment of agency goals, objectives, and services.

- *Equity and Social Justice* – To a large extent, DDES's activities are defined by the land use and building regulations and policies that it is obligated to implement. The regulations administered by DDES strive to balance promotion of public safety, equity and social justice with the right of property owners to conduct business or develop land. The determinants of equity most directly influenced by DDES services are the healthy built and natural environments via application of development codes, food systems via outreach to the local farming community and low-cost permitting services, and community and public safety via code enforcement. DDES is typically in the position of responding to permit applications, rather than encouraging certain types of activities, however, the Department is pursuing multiple opportunities to ensure equitable and just treatment of customers with its services. Details of these opportunities can be found in DDES' business plan.

- *3 Percent Efficiency Goal* – DDES well exceeds its efficiency goal, bringing in nearly 9% worth of efficiency reductions in its 2012 Proposed Budget. Approximately 2% of this total comes from an expected reduction in staff and associated support costs related to the Permit Integration Project, which brings significant equipment and process improvements to an older permit database and business practices. Another approximate 2% includes a Department-wide savings in reduced staff and associated costs due to the implementation of a pilot fixed fees structure in 2011, which DDES expands in 2012 to include additional fee areas and some refinements to existing fixed fees. An additional 2% is due to space efficiencies achieved through space consolidation, and the remaining approximately 3% is a combination of flex benefit and retirement savings due to a reduction in County-wide central rates.

- *King County Strategic Plan Alignment* – DDES programs and services further a variety of the goals of the King County Strategic Plan. DDES' mission most directly supports the King County goal of Economic Growth and Built Environment: Encourage Vibrant and Sustainable Communities, however the Department also supports: Justice and Safety: Support Safe Communities and Health; Human Potential: Promote Opportunities for All to Reach Their Full Potential; and Environmental Sustainability: Safeguard and Enhance King County's Natural Resources and Environment.

  DDES also embraces the King County "how we deliver" goals in all areas of service delivery, namely service excellence, financial stewardship, public engagement and quality workforce. For example, with regard to both service excellence and financial stewardship, the Permit Integration Project improves productivity in the field, enhancing responsiveness to inspection requests, and will also improve the efficiency of the permitting and associated administrative/financial processes, resulting in productivity gains that will help keep DDES permit fees competitive. As another example, DDES seeks public input on-line, by phone, at its front counter, and at public meetings with unincorporated communities.

Change Drivers

The significant change drivers influencing the 2012/2013 DDES budget is primarily related to economic and fiscal conditions and annexations, as detailed below.

Depressed Economy/Annexations/Provision of Stable Rates

DDES expenses associated with processing building and land use applications permits are primarily paid for by revenues derived from permit fees. With the crash of the housing market in late 2007, new development applications continue to remain at depressed levels. In addition, the permit workload has been impacted by significant annexations in the last few years. Despite significant expenditure reductions in 2010, the DDES PSQ Financial Plan for 2012 currently forecasts continued deficient spending. DDES faces a $3.6 million deficit unless significant changes are made.

Annexations/Focus on Rural Services

Both the State Growth Management Act (GMA) and associated Countywide Planning Policies (CPPs) encourage cities to incorporate or annex urban properties located within unincorporated King County. Approximately 60 percent of the urban unincorporated land has been incorporated or annexed into cities, and additional annexations are planned. Therefore, the DDES is restructuring itself to focus on providing permitting services to the rural and non-PAA urban areas.

2012 / 2013 Proposed Budget

The total 2012 Executive Proposed budget for DDES is $16,025,462 approximately a $3.2 million reduction from the 2011 adopted budget, with funding for 95.6 FTEs and 3.0 TLTs. In 2013, the Department's budget reduces to $14,437,725 with an additional staff reduction of 20 FTE. This budget funds DDES services in accordance with King County Strategic Plan goals while responding to the change drivers impacting the department's financial situation. The main elements of the proposed budget include cost reductions coupled with a new fee structure.

First, proposed budget reductions are driven by the Executive's initiative to contain costs as well as the department's need to align budgeted expenditures with anticipated workload needs. Given the decline in permitting activity associated with economic conditions and annexations, the proposed budget reduces direct service costs by approximately $4.3 million and 20.9 FTEs. Agency proposed change items capture additional reductions associated with the implementation of Permit Integration.

Second, the proposed budget assumes the continuing implementation of a fixed fee structure to supplant the hourly rate model previously employed by DDES; this fee structure and the activities it supports will provide transparent and sustainable revenue for DDES and greater fee predictability and better service for DDES customers.

Lastly a new budget appropriation unit is created to formalize the budgeting of Abatement related activities. The Abatement Fund contains budget for work DDES contracts out to perform site specific abatement activities. It also contains the funding for PAO resources employed to collect delinquent fees and/or civil penalties due from property owners subject to these activities. The budget submittal proposes funding the Abatement Manager (previously funded from the Abatement Fund) with General Fund dollars. In doing so, increased Abatement Fund resources are available to perform the contract work that is most visible to County residents.

Development and Environmental Services 1340/0325

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	19,249,770	116.50	3.17
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	276,297	0.00	(.67)
SQ13	2013 Base Budget Adjustment	20,529,715	0.00	0.00
		20,806,012	**0.00**	**(.67)**
Direct Service Changes				
DS01	Building Services Reductions due to Projected Decline in Permitting Demand	(3,061,911)	(6.90)	0.00
DS02	Land Use Services Reductions due to Projected Decline in Permitting Demand	(1,888,522)	(2.00)	0.00
DS03	Non-labor Expenditure Reductions due to Projected Decline in Permitting Demand	(984,755)	0.00	0.00
		(5,935,188)	**(8.90)**	**0.00**
Administrative Service Changes				
AS02	Reduction Related to Completion of Permit Integration Phase 2 in 2012	(940,724)	0.00	0.00
Efficiency Reductions				
ER01	Changes Related to Efficiency Gain	(456,680)	(2.00)	0.00
ER02	Changes Related to Efficiency Gain	(253,490)	(1.00)	0.00
ER03	Changes Related to Efficiency Gain	(169,584)	0.00	0.00
ER44	Agency Efficiency Credits for FMD O & M Charges	(481,276)	0.00	0.00
		(1,361,030)	**(3.00)**	**0.00**
Technology Cost Savings				
CS02	Transfer Dept. IT to KCIT	(1,329,393)	(5.00)	0.00
CS03	Cost savings due to implementation of Permitting Integration	(865,511)	(3.00)	.50
		(2,194,904)	**(8.00)**	**.50**
Program Changes				
PC01	Localized Life-Safety	(256,868)	(1.00)	0.00
PC03	Reduction in Abatement Fund Support for Code Enforcement	0	0.00	0.00
PC04	Abatement Manager Funding From CX	0	0.00	0.00
		(256,868)	**(1.00)**	**0.00**
Central Rate Changes				
CR01	Flexible Benefits	(75,466)	0.00	0.00
CR05	General Fund Overhead Adjustment	(370,862)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	35,050	0.00	0.00
CR08	Technology Services Infrastructure Charge	10,818	0.00	0.00
CR09	Geographic Information Systems Charge	179,292	0.00	0.00
CR10	KCIT Operations Charge/Rebate	2,475	0.00	0.00
CR11	Telecommunications Services	(9,662)	0.00	0.00
CR12	Telecommunications Overhead	(4,527)	0.00	0.00
CR13	Motor Pool Rate Adjustment	(52,072)	0.00	0.00
CR14	Facilities Management Space Charge	122,535	0.00	0.00
CR15	Insurance Charges	12,916	0.00	0.00
CR16	Radio Access	(339)	0.00	0.00
CR17	Radio Maintenance	(157)	0.00	0.00
CR19	Radio Reserve Program	(490)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(65,679)	0.00	0.00
CR22	Long Term Leases	(5,024)	0.00	0.00
CR25	Financial Service Charges	(67,475)	0.00	0.00
CR26	Retirement Rate Adjustment	25,262	0.00	0.00

Code/ Item#	Description	Expenditures	FTEs *	TLTs
CR27	Industrial Insurance Rate Adjustment	(12,989)	0.00	0.00
CR36	Property Services Lease Administration Fee	(49)	0.00	0.00
CR37	Facilities Management Strategic Initiative	(1,230)	0.00	0.00
CR38	Major Maintenance Repair Fund	(41,769)	0.00	0.00
CR46	KCIT Technology Projects	19,682	0.00	0.00
CR48	Business Resource Center	40,254	0.00	0.00
CR50	IT Re-Organizational Transfer	438,553	0.00	0.00
		179,047	**0.00**	**0.00**
Technical Adjustments				
TA01	Technical Adjustment	541,548	0.00	0.00
TA03	Revenue Accounting Consolidation Required by Permit Integration	0	0.00	0.00
TA04	Revenue Accounting Consolidation Required by Permit Integration	0	0.00	0.00
TA05	Director's Office Budget Clean-up	(135,004)	0.00	0.00
TA06	Revenue Accounting Consolidation Required by Permit Integration	0	0.00	0.00
TA39	COLA Adjustment	(55,238)	0.00	0.00
		351,306	**0.00**	**0.00**
	2012/2013 Biennium Budget	**29,897,421**	**95.60**	**3.00**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

DDES Fund

PROGRAM HIGHLIGHTS

Adjustments to Adopted Budget

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and other select operating costs. All of the adjustments result in a net reduction of $3,790,074 from the 2011 Adopted Budget. The overall reduction across DDES budget elements are driven by the contraction the agency is experiencing with decrease demand for services due to annexation activity as well as the impact the general economy has had on regional growth.

2013 Base Budget - $20,529,715 Expenditure and $19,555,923 Revenue. This change item inflates the 2012 base budget to generate the 2013 base for the 2012/2013 biennial budget.

Direct Service Changes

Reductions in Building Services Division due to Declining Permit Demand-($3,061,911) Expenditures / ($3,959,044) Revenue / (6.90) FTE This proposal anticipates reduced revenue and operational costs associated with lower permitting demand. Labor expenses associated with a 2011 midyear FTE reduction are annualized for 2012 (6.9 FTE); the remaining 11 FTEs will be reduced in 2013 as demand for permitting services further declines due to projected annexations. Non-labor costs are proportionally reduced.

Reductions in Land Use Division due to Declining Permit Demand-($1,888,522) Expenditures / ($117,884) Revenue / (2.00) FTE This proposal anticipates reduced revenue and operational costs associated with lower permitting demand. Labor expenses associated with a 2011 midyear FTE reduction are annualized for 2012 (2.00 FTE); the remaining 8.00 FTEs will be reduced in 2013 as demand for permitting services further declines due to projected annexations. Non-labor costs are proportionally reduced.

Non-Labor Reductions due to Declining Permit Demand-($984,755) Expenditure / ($200,000) Revenue. This proposal anticipates reduced revenue and non-labor operational costs associated with lower permitting demand that have not been captured elsewhere in this budget submittal. Reductions in non-labor expenses are driven by annexation activity. Revenue reduction results from anticipated lower investment returns as the DDES Fund Balance declines.

Administrative Service Changes

Reductions Related to Completion of Permit Integration-($940,724) Expenditure / $0.00 Revenue / (2.00) FTE This proposal reduces two IT professionals, employed on DDES' Permit Integration Project, effective 2013 with the scheduled completion of Phase 2 of this project. This FTE reduction is factored into the overall project plan.

Efficiency Reductions

Efficiencies from the Adoption of Fixed Fees-($1,361,030) Expenditure / $0.00 Revenue / (3.00) FTE. This efficiency captures the project 3 percent overall reduction in staff processing time (performing hourly billing) due to the transition to a fixed fee schedule for DDES services. Further efficiencies are obtained from an anticipated lower rate of customer appeals that have been attributed to the uncertainty customers experience with billing based on hourly rates.

Technology Cost Savings

Transfer of DDES IT Staff to KCIT-($1,329,393) Expenditure / $0.00 Revenue / (5.00) FTE. This reduction accomplishes the transfer of DDES IT staff to KCIT as an element of the KCIT reorganization initiative.

Cost Savings due to Implementing Permit Integration-($865,511) Expenditure / $0.00 Revenue / (3.00) FTE / (.50) TLT. This reduction projects anticipated labor efficiencies derived from the implementation of Permit Integration.

Program Changes

Transfer of Life Safety Inspections to Local Fire Authorities-($256,868) Expenditure / ($204,800) Revenue / (1.00) FTE. This proposal serves to move the responsibility for conducting local life safety (Fire Marshall) inspections to the fire service authorities serving the premise being inspected. The proposal results in the reduction of one Deputy Fire Marshall position and the associated inspection revenue.

Abatement Fund Reduction for Code Enforcement-$0.00 Expenditure / ($427,556) Revenue. This proposal reduces Abatement Fund revenue used to fund the Code Enforcement Officer that conducts abatement related work (i.e., the Abatement Manager position). Alternative funding from the General Fund has been proposed to supplant this funding source.

General Funding of Abatement Manager-$0.00 Expenditure / $350,000 Revenue. This proposal transitions funding for the Abatement Manager from the Abatement Fund to the General Fund.

Central Rate Adjustments

Central Rate Adjustments –($179,047). This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a $567,704 reduction in charges to DDES. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

Technical Adjustments

Revenue Consolidation Required by Permit Integration-$0.00 Expenditure / ($16,261,874) Revenue. This adjustment reduces revenue previously accounted for in DDES' *Building Services Division* to support a transfer of this revenue into the Administrative Services Division. This change in revenue accounting conforms to the design of the Permit Integration Project business model and is required to implement the Project.

Revenue Consolidation Required by Permit Integration-$0.00 Expenditure / ($14,804,550) Revenue
This adjustment reduces revenue previously accounted for in DDES' *Land Use Division* to support a transfer of this revenue into the Administrative Services Division. This change in revenue accounting conforms to the design of the Permit Integration Project business model and is required to implement the Project.

Director's Office: Elimination of Contra and Reductions in Work Training Program-($135,004) Expenditure / ($210,000) Revenue. This adjustment eliminates a contra associated with 2011 COLA expenses that is no longer needed. Funding for an underutilized work training program is reduced and comprehensive plan revenue from interagency transfers into the Director's Office are reduced as a result of transferring budgeting for this activity to another DDES Division.

Revenue Consolidation Required by Permit Integration-$0.00 Expenditure / $27,460,422 Revenue This adjustment increases revenue previously accounted for in DDES' *Land Use and Building Services Divisions* to reflect the transfer of this revenue into the Administrative Services Division. This change in revenue accounting conforms to the design of the Permit Integration Project business model and is required to implement the Project

COLA Adjustment – ($55,238). The Cost of Living Adjustment (COLA) is calculated at 1.63 percent from 2011 Adopted.

2012/2013 Proposed Financial Plan
Development and Environmental Services Fund/Development and Environmental Services 1340/0325

	2010 Actual[1]	2011 Adopted	2011 Estimated[2]	2012 Proposed	2013 Proposed	2014 Projected[3]	2015 Projected[3]
Beginning Fund Balance	**10,202,317**	**4,025,340**	**5,142,406**	**3,012,799**	**2,466,342**	**1,306,378**	**2,742,615**
Revenues							
Permit Fee Revenue	11,654,226	15,704,471	13,637,388	13,332,000	10,405,000	10,717,150	11,038,665
Other Revenue	1,242,476	1,018,530	846,615	563,000	576,000	593,280	611,078
Investment Interest	272,015	200,000	175,000	100,000	100,000	103,000	106,090
GF Transfers	1,761,389	1,668,363	1,668,363	1,743,000	1,372,000	1,413,160	1,455,555
	-	-	-				
			-				
Total Revenues	**14,930,106**	**18,591,364**	**16,327,366**	**15,738,000**	**12,453,000**	**12,826,590**	**13,211,388**
Total Biennial Revenues					**28,191,000**		**26,037,978**
Expenditures							
Salaries and Benefits	(14,658,144)	(14,412,710)	(14,343,209)	(11,483,148)	(9,012,568)	(9,282,945)	(9,561,433)
Supplies and Contracts	(671,777)	(900,692)	(437,194)	(671,309)	(631,609)	(650,557)	(670,074)
Intragovernmental Services	(3,246,458)	(3,085,416)	(3,045,507)	(3,412,776)	(3,182,563)	(3,278,040)	(3,376,381)
Capital and Other[5]	(1,413,639)	(993,618)	(906,226)	(717,224)	(786,224)	(878,811)	(974,175)
3rd Omnibus Supplemental			275,163				
Reductions needed to balance	-	-	-			2,700,000	650,000
Total Expenditures	**(19,990,017)**	**(19,392,436)**	**(18,456,973)**	**(16,284,457)**	**(13,612,964)**	**(11,390,353)**	**(13,932,064)**
Total Biennial Expenditures					**(29,897,421)**		**(25,322,416)**
Estimated Underexpenditures		-	-	-	-	-	-
Other Fund Transactions							
	-	-	-				
		-	-				
Total Other Fund Transitions	-	-	-				
Total Biennial Other Fund Transactions					**-**		**-**
Ending Fund Balance	**5,142,406**	**3,224,268**	**3,012,799**	**2,466,342**	**1,306,378**	**2,742,615**	**2,021,939**
Reserves & Designations[6]							
Reserve for Staff Reduction	(500,000)	(900,000)	(500,000)	(900,000)			
Reserve for Revenue Shortfall		(1,000,000)		(1,000,000)	(1,000,000)	(1,000,000)	
Reserve for Technology Replacements	(2,000,000)	(1,000,000)	(500,000)				
Reserve for Waivers & Unanticipated Costs	(1,000,000)	(500,000)	(500,000)				
Total Reserves & Designations	(3,500,000)	(3,400,000)	(1,500,000)	(1,900,000)	(1,000,000)	(1,000,000)	-
Ending Undesignated Fund Balance[7]	**1,642,406**	**(175,732)**	**1,512,799**	**566,342**	**306,378**	**1,742,615**	**2,021,939**
Target Fund Balance [4]	2,498,752	2,424,055	2,307,122	2,035,557	1,701,621	1,423,794	1,741,508

Financial Plan Notes:

[1] 2010 Actuals are taken from the 2010 CAFR or 14th Month ARMS/IBIS.

[2] 2011 Estimated is based on historical data and expected annexations

[3] 2014 and 2015 Projected are based on 3% increase in revenue and expenditure

[4] Target fund balance is based on 1/8 of total appropriated expenditure

[5] Capital and Other includes contras and contingencies and starting in 2013 DDES shared ABT debt service assumptions

[6] 2011 Estimated Reserves and designations levels have been drown down to reflect layoffs expenditure incurred, offset revenue shortfall and contribution to OIRM PI fund

[7] Undesignated Fund Balance for 2012 through 2015 will be impacted by reduced Central Rates (Intergovernmental Services) as DDES organizationally contracts (e.g. vacating Black River building for smaller space)-this anticipated reduction in Central Rates has not been factored into this financial plan but is anticipated to positively influence fund balance.

DDES SubFund: Abatement Fund

Fund Organization and Budget

The Abatement Fund is structured as a SubFund under DDES. There are no operational units in this organization. Budget authority is granted for expenditures related principally to contracts for abatement related activities and to engage PAO services for the collection of delinquent fees or civil penalties levied on property owners who have been subject to abatement.

King County Strategic Plan Alignment

The Abatement Fund contains the required budget authority to undertake abatement activities on nuisance properties within the County. As such, the Fund contributes to the Strategic Plan's "What" goal of Economic Growth and Built Environment (specifically element 3: Shaping a built environment that allows communities to flourish.) The establishment of this separate subfund facilitates examination of its performance and the overall financial condition of the fund; accordingly, the "How" goal of Financial Stewardship (specifically element 2: Plan for the long-term sustainability of County services) is realized as an outcome.

Change Drivers

The combination of the 2011 first quarter supplemental decision to fund PAO services from the Abatement fund, taken in conjunction with funding the Abatement Manager from this same fund, resulted in a significant contraction in dollars available to perform contracted abatement work. Recognizing this, the Executive proposes to fund the Abatement Manager position from General Fund dollars. This proposal aligns with the general fund nature of the underlying code enforcement work performed by the Abatement Manager. In advancing this proposal, the ongoing sustainability of the Abatement Fund is assured.

2012 Proposed Budget

The Abatement Fund budget is proposed as a Technical Adjustment as described in the Abatement Fund Revenue change item.

Adjustments to Adopted Budget

As this is the first year of the Abatement subfund, there are no changes from prior years. Accordingly, no changes to 2013 from 2012 to inflate expenditures or revenues are required as the change item submitted by the Department considers the two year biennial period as a single change item.

2012 Proposed Budget for

Development and Environmental Services Abatement Fund 1341/0525

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Central Rate Changes				
CR20	Prosecuting Attorney Civil Division Charge	53,042	0.00	0.00
Technical Adjustments				
TA01	Abatement Fund Revenues	503,000	0.00	0.00
	2012 Proposed Budget	**556,042**	**0.00**	**0.00**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Technical Adjustments

Abatement Fund Revenue-$503,000 Expenditures / $591,000 Revenue.
This adjustment serves to report anticipated expenses for performing contracted out abatement activities and for legal services provided by the PAO to enforce collection of fees due from properties subject to County abatement activity. The anticipated revenues supporting this program, primarily sourced from fees and civil penalties, are also reported on this change item.

Central Rate Adjustments – $53,042. This adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a $53,042 increase in charges to DDES. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

2012/2013 Proposed Financial Plan
Development and Environmental Services/ Abatement Fund 1341/0525

	2010 Actual[1]	2011 Estimated[2]	2012 Proposed	2013 Proposed	2014 Projected[3]	2015 Projected[3]
Beginning Fund Balance	987,428	1,149,195	1,084,195	1,162,195	1,119,153	1,119,153
Revenues						
Abatement Charges	7,325		10,000	10,000		
Abatement Liens		150,000	150,000	150,000	150,000	100,000
Civil Penalties	191,606	150,000	140,000	100,000	100,000	100,000
InterAgncy			25,000			
Investment Interest net	4,857	5,000	3,000	3,000		
Total Revenues	**203,789**	**305,000**	**328,000**	**263,000**	**250,000**	**200,000**
Total Biennial Revenues				**591,000**		**450,000**
Expenditures						
					-	-
Abatement Contract	(42,021)	(100,000)	(150,000)	(150,000)	(146,000)	(150,000)
POA Support		(95,000)	(100,000)	(103,000)	(104,000)	(107,000)
DDES CE Support	(175,000)	(175,000)			-	-
Central PAO Support	-	-		(53,042)		
Total Expenditures	**(217,021)**	**(370,000)**	**(250,000)**	**(306,042)**	**(250,000)**	**(257,000)**
Total Biennial Expenditures				**(556,042)**		**(507,000)**
Estimated Underexpenditures		-	-	-	-	-
Other Fund Transactions						
	-	-				
		-				
Total Other Fund Transations	-	-				
Biennial Other Fund Transactions				**-**		**-**
Ending Fund Balance	974,195	1,084,195	1,162,195	1,119,153	1,119,153	1,062,153
Total Reserves & Designations	-	-	-	-	-	-
Ending Undesignated Fund Balance	974,195	1,084,195	1,162,195	1,119,153	1,119,153	1,062,153
Target Fund Balance [4]	600,000	600,000	600,000	600,000	600,000	600,000

Financial Plan Notes:

Fund Balance = Revenues less Expenditures; The Revenue stated is both cash and receivables; cash postion is estimated to be 489K at the end of 2011; 589K at the end of 2012 and 2014.

[1] 2010 Actuals are based on 2010 14th month ARMS.

[2] 2011 Estimated is based on revised expenditure/ revenue projections made by the agency. This fund does not have a 2011 Adopted Budg

[3] 2012 Proposed and 2013 Proposed based on: projections made by the agency

[4] Target fund balance is based on Lien proceeds lag by contract abatement work by four years on average.

Natural Resources and Parks

2012 Proposed Budget for

Historic Preservation Program 1471/0846

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	456,339	0.00	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	11,882	0.00	0.00
Technical Adjustments				
TA01	Technical Adjustment	(6,721)	0.00	0.00
	2012 Proposed Budget	**461,500**	**0.00**	**0.00**

* FTEs do not include temporaries or overtime.
** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Historic Preservation and Historic Programs (HPHP) Fund

The HPHP fund supports the Historical Preservation Program, which is organizationally located in the Department of Natural Resources and Parks (DNRP). Further information on the DNRP, specifically the DNRP Administration Division, can be found in the Environmental Sustainability section of this book.

The HPHP fund was created in 2010 by Ordinance 16835 in order to easily track the use of revenues generated from the $1 recording fee surcharge. The $1 surcharge is designated to promote historical preservation or historical programs as allowed under RCW 36.22.170.

This revenue source helps King County achieve its Economic Growth and Built Environment Objective 3: “shape a built environment that allows communities to flourish” and Objective 4: “preserve the unique character of our rural communities in collaboration with rural residents.”

PROGRAM HIGHLIGHTS

The 2012 Executive Proposed Budget is $461,500, to be transferred to the King County Historic Preservation Program within the Department of Natural Resources and Parks.

Adjustments to the 2011 Adopted Budget

Adjustments to the 2011 Adopted Budget were made to incorporate recording fee projections adopted by the King County Forecast Council in March 2011. This adjustment results in an increase of $11,882 in expenditures and an increase of $13,220 in revenues from the 2011 Adopted Budget.

Technical Adjustments

Technical Adjustment – ($6,721) Expenditure and ($12,300) Revenue. This adjustment incorporates recording fee projections adopted by the King County Forecast Council in September 2011.

2012 Proposed Financial Plan
Historic Preservation and Historical Programs Fund 1471/0846

	2010 Actual[1]	2011 Adopted	2011 Estimated[2]	2012 Proposed	2013 Projected[3]	2014 Projected[3]
Beginning Fund Balance	-	7,325	7,325	42,786	42,786	42,786
Revenues		-				
Historical document recording fee	504,342	460,000	491,800	461,500	475,846	500,812
Total Revenues	**504,342**	**460,000**	**491,800**	**461,500**	**475,846**	**500,812**
Expenditures						
Transfer to Historic Preservation Program	(306,453)	(456,339)	(456,339)	(461,500)	(475,846)	(500,812)
ABT Debt Service [4]	-	-			(6,896)	(6,896)
Total Expenditures	**(306,453)**	**(456,339)**	**(456,339)**	**(461,500)**	**(475,846)**	**(500,812)**
Estimated Underexpenditures		-	-	-	-	-
Other Fund Transactions						
General Fund designated expend [5]	(190,564)	-	-	-	-	-
Total Other Fund Transactions	**(190,564)**	**-**	**-**	**-**	**-**	**-**
Ending Fund Balance	**7,325**	**10,986**	**42,786**	**42,786**	**42,786**	**42,786**
Reserves & Designations						
				-	-	-
Total Reserves & Designations	**-**	**-**	**-**	**-**	**-**	**-**
Ending Undesignated Fund Balance	**7,325**	**10,986**	**42,786**	**42,786**	**42,786**	**42,786**
Target Fund Balance [6]	**-**	**-**	**-**	**-**	**-**	**-**

Financial Plan Notes:

[1] 2010 Actuals are taken from the 2010 CAFR or 14th Month ARMS/IBIS.

[2] 2011 Estimated is based on 28-month average (Jan 2009-Apr 2011) annualized.

[3] 2013 and 2014 Projected revenues and expenditures are based on Office of Economic and Financial Analysis projections.

[4] This charge represents estimated debt service for the Accountable Business Transformation (ABT) Program which begins in 2013 and runs for ten years.

[5] Ordinance 16835 established the Historic Preservation and Historical Programs Fund in May 2010. $190,564 in expenditures revenues and corresponding was already dedicated to costs in the General Fund prior to the May establishment of this fund and are included in this financial plan to reflect the full collection of Historical Document Preservation Fee revenue.

DNRP Water and Land Resources - Rivers and Floodplain Management

PROGRAM HIGHLIGHTS

The work of the Rivers and Floodplain Management Section -- Flood Control Contract Fund, River Improvement Fund (RIF), and Inter-County River Improvement Fund (ICRIF) -- aligns with the Economic Growth and Built Environment (EGBE) goal by protecting regional economic centers, public and private properties, and transportation corridors from the risk of flooding. Further information on the Department of Natural Resources and Parks, specifically the Water and Land Resources Division, can be found in the Environmental Sustainability section of this book.

2012 Proposed Budget for

King County Flood Control Contract 1561/0561

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	34,602,422	34.00	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(27,422,701)	0.00	0.00
Program Changes				
PC01	Increase Flood Program Staff	417,151	6.00	0.00
Central Rate Changes				
CR01	Flexible Benefits	(30,264)	0.00	0.00
CR05	General Fund Overhead Adjustment	4,710	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(4,814)	0.00	0.00
CR08	Technology Services Infrastructure Charge	4,332	0.00	0.00
CR10	KCIT Operations Charge/Rebate	2,751	0.00	0.00
CR11	Telecommunications Services	5,730	0.00	0.00
CR13	Motor Pool Rate Adjustment	(6,799)	0.00	0.00
CR15	Insurance Charges	470,618	0.00	0.00
CR16	Radio Access	56	0.00	0.00
CR18	Radio Direct Charges	300	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	18,163	0.00	0.00
CR25	Financial Service Charges	(23,202)	0.00	0.00
CR26	Retirement Rate Adjustment	411	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(3,816)	0.00	0.00
CR28	Equipment Repair and Replacement	68,602	0.00	0.00
CR37	Facilities Management Strategic Initiative	249	0.00	0.00
CR46	KCIT Technology Projects	10,278	0.00	0.00
CR48	Business Resource Center	33,059	0.00	0.00
		550,364	**0.00**	**0.00**
Technical Adjustments				
TA01	Flood Control Contract Operating Program	274,373	0.00	0.00
TA02	Flood Control Contract Capital Program	26,355,141	0.00	0.00
TA39	COLA Adjustment	(2,920)	0.00	0.00
		26,626,594	**0.00**	**0.00**
	2012 Proposed Budget	**34,773,830**	**40.00**	**0.00**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Flood Control Zone Contract Fund

PROGRAM HIGHLIGHTS

The 2012 Proposed Budget for the Flood Control Contract Fund is $34,773,830 and 40.00 FTEs.

Adjustments to the 2011 Adopted Budget

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and remove the program's 2011 capital budget. All of the adjustments result in a net decrease of $27,422,701 from the 2011 Adopted Budget.

Program Changes

Increase Flood Program Staff - $417,151 Expenditure / $417,151 Revenue / 6.00 FTEs. Due to increased capital project needs and support to the maintenance program, this adjustment reflects increased support for the Flood District's capital program and high-priority programmatic needs. This adds four engineers, one contract specialist, and one project manager.

Central Rate Changes

Central Rate Adjustments – $550,364. This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk. The central rate changes includes a $470,618 increase to the Office of Risk Management (ORM) which reflects ORM's analysis of prospective insurance costs associated with the Flood Control program.

Technical Adjustments

Flood Control Contract Operating Program - $274,373 Expenditure / ($287,861) Revenue. This adjustment is a technical in nature including a reduction to the division's overtime budget, a decrease to labor loaned out (which increases budget appropriation), an increase to labor loaned in, an increase in contact services, and increase WLRD division overhead.

Flood Control Contract Capital Program - $26,355,141 Expenditure / $26,355,141 Revenue. The Flood Control District is governed by a special purpose government that is legally separate from King County. The District contracts with King County Water and Land Resources Division through a one-year inter-local agreement to perform a specified work program. In order to comply with the contract agreement between King County and the Flood Control District, the capital program expenditures are proposed in the operating budget. Details of the capital program are discussed below.

COLA – ($2,920). This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

2012 Proposed Financial Plan
King County Flood Control Contract Fund 1561/0561

	2010 Actual[1]	2011 Adopted	2011 Estimated[2]	2012 Proposed	2013 Projected[3]	2014 Projected [3]
Beginning Fund Balance	**434,000**	**650,897**	**434,000**	**-**	**-**	**-**
Revenues						
Flood District Levy - Operating	5,625,859	6,935,431	7,027,936	8,368,689	8,643,045	8,863,646
Other Operating Revenues	288,202	314,000	260,000	50,000	50,000	50,000
Capital Program Revenues	26,523,921	27,495,464	67,056,046	26,355,141	40,912,340	32,948,478
Total Revenues	**32,437,982**	**34,744,895**	**74,343,982**	**34,773,830**	**49,605,385**	**41,862,124**
Expenditures						
Operating Expenses	(5,914,061)	(7,106,958)	(7,106,958)	(8,418,689)	(8,651,045)	(8,871,646)
Operating Encumbrance Reinstatements			(698,579)			
Benefit and Retirement Savings			83,601			
ABT Debt Service [4]					(42,000)	(42,000)
Total Expenditures	**(5,914,061)**	**(7,106,958)**	**(7,721,936)**	**(8,418,689)**	**(8,693,045)**	**(8,913,646)**
Estimated Underexpenditures		-	-	-	-	-
Other Fund Transactions						
Capital Program Expenditures	(26,523,921)	(35,995,464)	(30,753,464)	(26,355,141)	(40,912,340)	(32,948,478)
Capital Carryover Reinstatements			(39,560,582)			
Potential Levy Suppression (Contra)	-	8,500,000	3,258,000	-	-	-
Total Other Fund Transactions	**(26,523,921)**	**(27,495,464)**	**(67,056,046)**	**(26,355,141)**	**(40,912,340)**	**(32,948,478)**
Ending Fund Balance	**434,000**	**793,370**	**-**	**-**	**-**	**-**
Reserves & Designations						
Reserves for Encumbrance Reinstatements	(698,579)					
Total Reserves & Designations	**(698,579)**	**-**	**-**	**-**	**-**	**-**
Ending Undesignated Fund Balance	(264,579)	793,370	-	-	-	-
Target Fund Balance [4]	**-**	**-**	**-**	**-**	**-**	**-**

Financial Plan Notes:

1 Actuals are based upon Preliminary 2010 CAFR from FBOD.

2 2011 Estimated is based on 2011 1st quarter actuals.

3 2013 and 2014 Operating Proposed are based on expenditure growth targets calculated by PSB. 2013 and 2014 CIP Proposed are based upon Flood Control District's 6-year CIP Plan.

4 This charge represents estimated debt service for the Accountable Business Transformation (ABT) Program which begins in 2013 and runs for ten years.

5 The KC Flood Control District prefers that the contract fund be managed to a zero fund balance and to retain all available revenue in the District agency fund.

Flood Control Capital Improvement Program

The King County Flood Control District contracts with Water and Land Resources Division to implement the District's capital improvement program. The capital program reconstructs and repairs the system of levees and revetments along King County's major river systems. Most of the facilities are at least 50 years old and will be reconstructed using modern engineering techniques to make them more stable, allow for greater conveyance and flood storage, minimize adverse environmental impacts such as the loss of fish habitat, and reduce maintenance costs.

The program is based primarily on the *2006 King County Flood Hazard Management Plan* which recommends regional policies, programs, and projects to reduce the risk to people and property from river flooding and channel migration in King County. It is primarily funded by reimbursements from the Flood District, which assesses a property tax levy throughout all of King County for the purpose of implementing flood hazard reduction programs and projects. Restrictions on the use of the levy are governed by RCW 86.15. This reimbursement is complemented by state and federal grants obtained by King County, primarily from FEMA.

The total proposed 2012 budget is $26,355,141 for 62 projects. Significant projects in the capital request include:

Reddington Reach: $4,940,000. The project will design the removal and reconstruction of the setback levee for the Reddington and Brannon Park segments of the Green River levee system. The Reddington Reach levees follow an old road alignment and cut off older winding river channels which have been developed as a mobile home community within the Green River mapped floodplain. The Brannon Park levees border an Auburn park with several public facilities such as ball fields and a sewage pump station. The current culvert system often fails leading to flooding in the mobile home community. The total estimated project cost is $12.7 million, of which $1.6 million has been appropriated prior to 2012 and $4.9 million is proposed for 2012. The remaining $6.2 million is projected to be proposed in the 2013 budget.

South Park – Duwamish Backwater Inundation: $3,500,000. The project will construct a pump station to alleviate flooding in the Duwamish industrial area that occurs during high tides when stormwater runoff is unable to drain to the Duwamish River. Water in the project area currently drains to the combined sewer system and experiences flooding on both private property and area roads. The total estimated project cost is $4.5 million of which $1 million has been appropriated prior to 2012 and $3.5 million is proposed for 2012.

Countyline to A-Street Flood Conveyance: $3,000,000. The project will construct a new setback levee and revetment, as well as remove portions of the existing levee. It will reconnect the White River channel with this floodplain section to restore river channel processes and increase flood storage, which will reduce flood damage and improve habitat. Of the $3 million proposed, $2 million is funded by the National Oceanic and Atmospheric Administration (NOAA) National Resource Damage Assessment program. The total estimated project cost is $9.0 million, of which $2.6 million has been appropriated prior to 2012 and $3.5 million is proposed for 2012. The remaining $3.4 million is projected to be proposed in the 2013 budget.

2012 Proposed Budget for

Inter-County River Improvement 1820/0760

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	50,000	0.00	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(819)	0.00	0.00
Central Rate Changes				
CR48	Business Resource Center	(819)	0.00	0.00
Technical Adjustments				
TA01	Technical Adjustment	1,638	0.00	0.00
	2012 Proposed Budget	**50,000**	**0.00**	**0.00**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Inter-County River Improvement Fund

PROGRAM HIGHLIGHTS

This program supports maintenance activities in the White River Basin and is funded by the Inter-County River Improvement tax levy, in coordination with Pierce County. Proceeds are transferred to the King County Flood Control Program. The 2012 Proposed Budget is $50,000 to help fund data collection for monitoring flood levels on the White River.

Adjustments to the 2011 Adopted Budget

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and other select operating costs. All of the adjustments result in a net decrease of $819 from the 2011 Adopted Budget.

Central Rate Changes

Central Rate Adjustments – ($819). This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

Technical Adjustments

Technical Adjustment - $1,638. This adjustment aligns expenditures with projected revenues.

2012 Proposed Financial Plan
Inter-County River Improvement Fund 1820/0760

	2010 Actual1	2011 Adopted	2011 Estimated2	2012 Proposed	2013 Projected3	2014 Projected 3
Beginning Fund Balance	(174)	362	581	581	581	581
Revenues						
ICRIF Levy and Interest Earnings	50,755	50,000	50,000	50,000	50,000	50,000
Total Revenues	50,755	50,000	50,000	50,000	50,000	50,000
Expenditures						
Expenditures	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Total Expenditures	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Estimated Underexpenditures	-	-	-	-	-	-
Other Fund Transactions						
	-	-	-	-	-	-
Total Other Fund Transactions	-	-	-	-	-	-
Ending Fund Balance	581	362	581	581	581	581
Reserves & Designations						
	-	-	-	-	-	-
Total Reserves & Designations	-	-	-	-	-	-
Ending Undesignated Fund Balance	581	362	581	581	581	581
Target Fund Balance 4	-	-	-	-	-	-

Financial Plan Notes:

[1] 2010 Actuals are taken from the Preliminary 2010 CAFR from FBOD.

[2] 2011 Estimated is based upon past average daily cash balances and interest rates.

[3] 2013 and 2014 Projected are based on projected future tax levy revenue.

[4] No minimum target fund balance is required.

2012 Proposed Budget for

River Improvement 1050/0740

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	64,000	0.00	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(64,000)	0.00	0.00
	2012 Proposed Budget	**0**	**0.00**	**0.00**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

River Improvement Fund

PROGRAM HIGHLIGHTS

The 2012 Proposed Budget does not propose appropriation for RIF. Assessment of the River Improvement property tax levy was discontinued in 2008 after the creation of the Flood Control Zone District. For a number of years, the fund received delinquent property tax payments and transferred revenue to the Flood Control District Contract Fund. In 2012, zero revenue is projected to be collected.

Adjustments to the 2011 Adopted Budget

Adjustments to the 2011 Adopted Budget were made to match projections in delinquent property tax payments, resulting in a net decrease of $64,000 from the 2011 Adopted Budget.

2012 Proposed Financial Plan
River Improvement Fund 1050/0740

	2010 Actual[1]	2011 Adopted	2011 Estimated	2012 Proposed[5]	2013 Projected	2014 Projected
Beginning Fund Balance	55,152	55,151	53,031	0	0	0
Revenues						
RIF Levy	953	10,000	10,000	0	0	0
Federal Flood Control	12,225					
Other	(299)					
Total Revenues	**12,879**	**10,000**	**10,000**	**0**	**0**	**0**
Expenditures						
Operating expenditures [3]	(15,000)	(64,000)	(63,031)	0	0	0
Total Expenditures	(15,000)	(64,000)	(63,031)	0	0	0
Estimated Underexpenditures						
Other Fund Transactions						
Total Other Fund Transactions	0	0	0	0	0	0
Ending Fund Balance	53,031	1,151	0	0	0	0
Less: Reserves & Designations						
Total Reserves & Designations	0	0	0	0	0	0
Ending Undesignated Fund Balance	53,031	1,151	0	0	0	0
Target Fund Balance [4]	**0**	**0**	**0**	**0**	**0**	**0**

Financial Plan Notes:

[1] 2010 Actuals are taken from ARMS 14th Month.

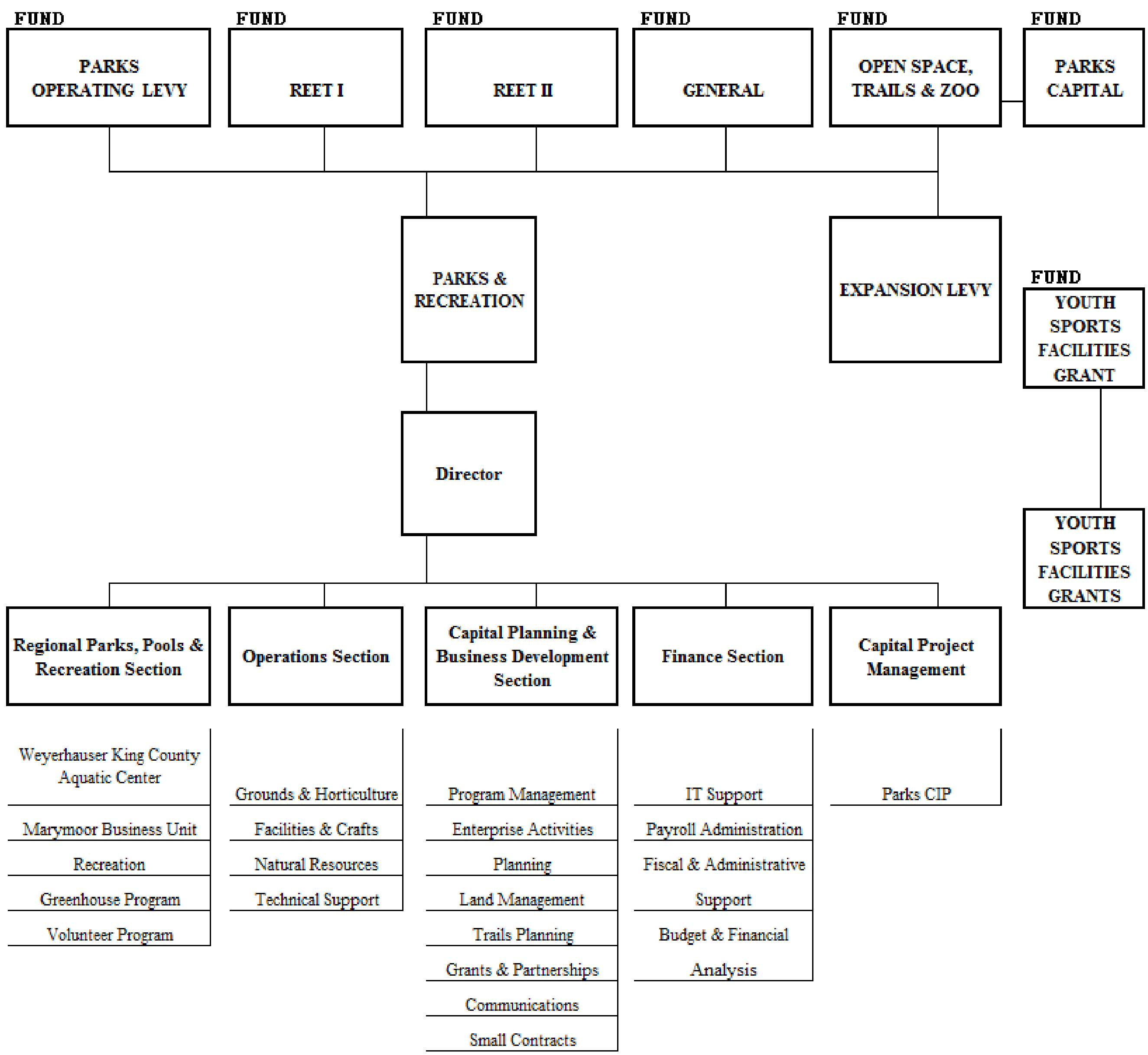
[2] Adopted is taken from 2011 Adopted Budget Book.

[3] Due the decreased actual delinquent property tax revenue received in 2010, WLRD projects zero revenue in 2012.

[4] No minimum fund balance requirement. Fund are phased out as RIF delinquencies decrease. RIF levy was eliminated in 2009.

[5] River Improvement is closed and therefore has no budget in 2012 going forward.

Parks and Recreation



PARKS AND RECREATION DIVISION

Mission:

Parks and Recreation Division

To enhance quality of life and communities by providing environmentally sound stewardship of regional and rural parks, trails, natural areas, and recreational facilities, supported by partnerships and entrepreneurial initiatives.

OVERVIEW

King County Parks and Recreation Division stewards 200 parks, 175 miles of regional trails and 26,000 acres of open space, including such regional treasures as Marymoor Park, Cougar Mountain Regional Wildland Park, and the Weyerhaeuser King County Aquatic Center. By cultivating strong relationships with non-profit, corporate and community partners, King County Parks provides recreational opportunities for King County residents and protects our region's public lands, leaving a legacy for future generations.

The division’s lines of business fit into five program areas, each of which helps to advance the King County Strategic Plan (KCSP). The goals with which the division’s programs and services most directly align are in the areas of Environmental Sustainability (ES) and Economic Growth and Built Environment (EGBE), and many connections also exist in the areas of Health and Human Potential (H&HP) and Justice and Safety (J&S). Specifically, Parks mission and lines of business advance strategy 3b, within the Economic Growth and Built Environment goal: “Acquire and maintain regional parks, trails and open space.”

The Parks and Recreation Division’s major services include active facilities and scheduled amenities (such as ball fields), natural lands, regional trails, direct programming, such as the White Center Teen Program, and partnerships. Each of these areas of service advances one or more strategies of the KCSP. For example, by providing athletic fields, picnic shelters, and regional trails, the division significantly advances Objective 3 within the EGBE goal area, “Shape a built environment that allows communities to flourish.” By purchasing and protecting natural lands, the division advance Objective 4 within the EGBE goal, “Preserve the unique character of our rural communities in collaboration with rural residents,” as well as Objective 1 in the ES goal area, “Protect, and restore water quality, biodiversity, open space and ecosystems.” The division also develops strategic partnerships through three programs: the Community Partnerships and Grants (CPG) program, The Youth Sports Facilities Grants (YSFG) Program and the Volunteer Program. These partnerships significantly advance Strategy 1a within the EGBE goal, “promote regional economic development through partnerships with regional organizations, other jurisdictions, and the private sector.”

<u>2012 Key Issues</u>

In 2012, the Parks Division will continue to work to enhance levels of maintenance envisioned in the development of the 2008-2013 operations levy in addition to maintaining a growing portfolio of assets, despite revenue challenges.

King County Parks’ operations and maintenance are funded largely by a six-year voter-approved levy that extends from 2008-2013 and represents approximately 70 percent of the division’s operating budget. This funding supports regional parks and recreation facilities, regional trails, rural local parks, and natural area parks. The division’s business revenues provide nearly 20 percent of annual operating revenue and support the entire system. Business revenues are generated from user fees and the cultivation of entrepreneurial activities, such as corporate sponsorships, concessions, and special event rentals (e.g. Cirque du Soleil, Concerts at Marymoor).

The division's financial plan assumes a 5 percent growth target in business revenue each year, adjusted for the transfer of facilities to other jurisdictions. Starting in 2011, the division receives no money from the General Fund.

For the Capital Improvement Program (CIP), the division receives revenue from Real Estate Excise Tax (REET) and the Parks Expansion Levy (PEL), which extends from 2008-2013. PEL provides funding for acquisition and development of regional trails, acquisition of open space and natural lands, and the Community Partnerships and Grants Program. REET revenues are the sole source of funding for the division's major maintenance and capital improvement needs. REET revenues also fund projects that have the potential to generate business revenue while providing enhanced recreation for the public, such as the synthetic turf conversion of an athletic field. PEL funds cannot be used for these capital needs.

Several trends highlight how all sources of the division's operations and capital revenues have been vulnerable in light of the recent economic downturn:

- Despite a strong start in 2008 and 2009, revenues from both the operating and expansion levies have continued to show relatively flat year-to-year growth.
- Business revenues, which are comprised of sources that must be earned each year, have been challenging to maintain and grow, reflecting the economic downturn.
- REET revenues have experienced a 70 percent decline since 2006.
- General Fund support, which funded the division's Urban Growth Area (UGA) parks, was reduced and then eliminated; as of 2011, these assets are funded solely from the division's business revenues.

The division has managed to these challenges, so the operating fund is healthy and the Executive proposes to add an FTE and additional temporary staffing funding in 2012 to address maintenance levels. Parks has focused these additional maintenance activities on high-impact areas such as increased noxious weed removal efforts.

In 2012, the Parks Division plans to make changes to its capital project delivery to better align with the Service Excellence goal of the KCSP, to "Establish a culture of customer service and deliver services that are responsive to community needs." The project managers that have been employed in the Facilities Management Division will be moved to the Parks Division to streamline project coordination and increase responsiveness to stakeholders throughout all project phases. By moving the project managers, the division that is held accountable for the maintenance of capital facilities will also responsible for project management and development. This reorganization aims to improve customer satisfaction, which will contribute to the success of a solid Parks CIP program.

<u>Executive Priorities Considered in 2012 Business Planning and Budget Development</u>

The Executive's 2012 priorities to advance the King County Strategic Plan (KCSP) and inform the 2012 Proposed Budget spotlighted consideration of Equity and Social Justice; attainment of a 3 percent efficiency target while maintaining value and service levels; and KCSP alignment of agency goals, objectives, and services.

- ***Equity and Social Justice:*** The division has implemented the principles of equity and social justice in decision-making by considering the geography of projects and resource investment, as proximity to facilities for exercise and recreation has been shown to affect the health of a community. Past investments serve as examples of this consideration, including White Center Heights Park, Skyway Park and Steve Cox Memorial

Park, which are all located near communities of color, low-income communities and concentrations of residents with limited English proficiency. In addition, YSFG applications for projects in low-income areas are given additional consideration and the division seeks to develop CPG projects in underserved areas.

In 2012, the division commits to continuing to consider equity and social justice principles in decision-making, especially in terms of the geography of investments. Near-term commitments include increased funding for the White Center Teen program and the Lakes to Sound Trail, which will connect five cities and four major regional trails in south King County. The division will continue to apply a lens of equity and social justice in community engagement and outreach. Specifically, the division will consider which populations are affected by its decision-making and attempt to engage affected communities appropriately. The division will consider language and cultural barriers and seek diverse representation of those affected in general outreach. For example, in the division's levy planning efforts and customer satisfaction measurement, the division will seek representation of all parks users, including those who are members of underserved communities.

The division will also be an early adopter of the Executive's Community and Engagement Guide and will use this guide to build on its efforts to ensure that communication, outreach and engagement efforts reach all residents, particularly communities that are under-represented, and to promote meaningful community participation in decisions that affect their community.

- ***3 Percent Efficiency:*** Parks has established several strategies that increase the division's efficiency: business revenue growth, strategic investments, strategic partnerships, and employee input. An example of a strategic investment that increases revenues and decreases costs is the conversion of grass ball fields to synthetic turf. Synthetic turf fields can be used for multiple sports, have fewer rain outs, require fewer maintenance hours and command higher fees than traditional grass fields. The Volunteer Program is another area in which Parks is achieving efficiencies. In 2010, the division brought in over 57,000 hours of volunteer labor which helped to keep the cost of parks maintenance down by providing assistance with plantings of native species, restoration of wetlands, and removal of noxious weeds.

2012 Proposed Budget for

Parks and Recreation 1451/0640

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	29,184,939	173.38	1.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(217,640)	0.00	0.00
Direct Service Changes				
DS01	Noxious Weed Program - New Acreage Annual Accelerator	193,031	1.00	0.00
DS02	White Center Teen Program	50,413	0.00	0.00
DS03	Improved Maintenance Across System	161,483	0.00	0.00
DS04	Parks Capital Project Managers	540,936	4.00	0.00
		945,863	**5.00**	**0.00**
Technology Cost Savings				
CS02	KCIT Move	(280,529)	(1.00)	0.00
Central Rate Changes				
CR01	Flexible Benefits	(113,208)	0.00	0.00
CR05	General Fund Overhead Adjustment	95,182	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	16,738	0.00	0.00
CR08	Technology Services Infrastructure Charge	86,330	0.00	0.00
CR09	Geographic Information Systems Charge	(26,707)	0.00	0.00
CR10	KCIT Operations Charge/Rebate	15,401	0.00	0.00
CR11	Telecommunications Services	(10,926)	0.00	0.00
CR12	Telecommunications Overhead	(3,329)	0.00	0.00
CR13	Motor Pool Rate Adjustment	40,568	0.00	0.00
CR15	Insurance Charges	183,391	0.00	0.00
CR16	Radio Access	75	0.00	0.00
CR18	Radio Direct Charges	(747)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	46,743	0.00	0.00
CR22	Long Term Leases	(4,639)	0.00	0.00
CR25	Financial Service Charges	(65,283)	0.00	0.00
CR26	Retirement Rate Adjustment	31,473	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(22,217)	0.00	0.00
CR28	Equipment Repair and Replacement	(1,830)	0.00	0.00
CR36	Property Services Lease Administration Fee	(63)	0.00	0.00
CR37	Facilities Management Strategic Initiative	383	0.00	0.00
CR38	Major Maintenance Repair Fund	(323)	0.00	0.00
CR46	KCIT Technology Projects	45,480	0.00	0.00
CR48	Business Resource Center	163,806	0.00	0.00
CR50	IT Re-Organizational Transfer	280,529	0.00	0.00
		756,827	**0.00**	**0.00**
Technical Adjustments				
TA01	Technical Adjustment - Body of Work	20,531	1.00	0.00
TA02	Annual Technical Adjustments	142,830	1.50	0.00
TA39	COLA Adjustment	(13,607)	0.00	0.00
		149,754	**2.50**	**0.00**
	2012 Proposed Budget	**30,539,214**	**179.88**	**1.00**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Parks

PROGRAM HIGHLIGHTS

The 2012 Proposed Budget for Parks is $30,539,214 and 179.88 FTEs and 1.0 TLT.

Adjustments to the 2011 Adopted Budget

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and other select operating costs. All of the adjustments result in a net decrease of $217,640 from the 2011 Adopted Budget. In addition, revenues were reduced by $167,426.

Direct Service Changes

Noxious Weed Program - New Acreage Annual Accelerator - $193,031, 1.00 FTE. When the Expansion Levy was passed, Parks planned to add $150k annually, inflated by 5 percent per year, as a new acreage "accelerator" to provide funding for maintenance of additional passive natural area parks and trails funded by the expansion levy. The accelerator includes resources, such as staffing and services and supplies, to support maintenance of these newly-acquired areas. For 2012, Parks will add 1 FTE: a Parks Specialist II that will be dedicated to noxious weed removal across the Parks system. This request also includes budget for temporary staffing to work on noxious weed removal during the growing season.

White Center Teen Program - $50,413. This budget increase will support the White Center Teen Program, which offers free recreation, education and social enrichment programming for over 800 at-risk youth in White Center. In alignment with the Equity & Social Justice ordinance, this request will provide additional temporary staffing for soccer and basketball coaching, food and supplies for the summer sack lunch program and sports league membership fees.

Improved Maintenance Across System- $161,483. This request will add seasonal staffing to increase maintenance levels, as promised by the Parks Operating Levy, across the Parks system. In addition, this provides some budget to purchase supplies related to maintenance at the newly acquired open space property on Maury Island.

Parks Capital Project Managers - $540,936, 4.0 FTE. This change item will move 3.0 FTE capital project managers from the Facilities Management Division, in DES, to the Parks Division and add a new 1.00 FTE Budget Finance Officer III to Parks Budget. The project managers will administer Parks CIP program and the BFO III will provide financial and administrative support to the project managers. This move will improve Parks capital project delivery by allowing Parks to incorporate stakeholder input through all project phases.

Technology Cost Savings

Information Technology Reorganization - ($280,529)/(1.00 FTE). Salary, benefits and technology resources are transferred from Parks to the Information Technology (IT) Services fund to consolidate Executive branch IT budgets into one fund with oversight and management by the Chief Information Officer. Parks will pay for IT services via central rate CR50, which offsets the transfer.

Central Rate Changes

Central Rate Adjustments – $756,827. This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a $756,827 increase in charges to the Parks and Recreation Division. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

Technical Adjustments

Technical Adjustment – Body of Work - $20,531, 1.0 FTE. This request proposes to add an FTE to serve at the front desk of Marymoor Park. In the past, these duties have been performed by temporary staff, but this is an ongoing body of work and a career service employee would provide more consistency and better customer service throughout the year. The work includes greeting the walk-in public, selling parking passes, accepting parking violation payments, reconciling financial transactions for daily deposits, accepting customer feedback and disseminating park information to user groups and individuals.

Annual Technical Adjustments - $142,830, 1.50 FTE. This budget request adjusts for utility cost changes, realigns budget to expenditures, updates revenue projections and annualizes 1.50 FTE additions made in a 2011 budget supplemental omnibus ordinance. The staffing increases include a 1.0 FTE Electrician and a 0.5 Project/Program Manager IV in the Business Development Section.

COLA – ($13,607). The Cost of Living Adjustment (COLA) is calculated at 1.63 percent from 2011 Adopted.

2012 Proposed Financial Plan
Parks Operating Levy Fund/Parks and Recreation 1451/0640

	2010 Actual [1]	2011 Adopted	2011 Estimated [2]	2012 Proposed	2013 Projected [15]	2014 Projected [15]
Beginning Fund Balance	9,535,180	8,916,794	9,884,668	7,871,826	4,823,892	1,044,756
Revenues		-				
* Levy Proceeds/Delinquent Levy Collections [3]	18,508,382	19,067,400	18,938,949	19,484,174	19,955,620	20,434,555
* Interest [4]	99,314	35,148	35,148	33,919	64,857	27,932
* Expansion Levy Admin Fee [5]	131,313	150,169	150,169	157,852	163,418	167,072
* Regional/Rural Business Revenues [6, 7]	4,920,954	4,516,736	4,516,736	-	-	-
* UGA Business Revenues [6, 7]	196,600	114,849	114,849	-	-	-
* All Business Revenues [6, 7]	-	-	-	4,801,511	5,041,587	5,293,666
Regional Pools [7]	844,311	-	-	-	-	-
* CIP [8]	1,713,444	2,653,608	2,653,608	2,343,041	2,460,193	2,583,203
* SW 98th St. Corridor Maintenance [9]	-	60,000	60,000	60,000	60,000	60,000
* 2011Q1 Omnibus Ordinance [13]	-	-	9,100	-	-	-
Total Revenues	**26,414,318**	**26,597,910**	**26,478,559**	**26,880,497**	**27,745,675**	**28,566,427**
Expenditures						
* Regional/Rural Expenditures	(23,335,475)	(25,656,245)	(25,656,245)	(27,120,251)	(28,476,264)	(29,900,077)
* Urban Growth Area Expenditures	(915,911)	(715,085)	(715,085)	(715,922)	(751,718)	(789,304)
* CIP/Land Management Expenditures [8]	(1,585,706)	(2,653,608)	(2,653,608)	(2,343,041)	(2,460,193)	(2,583,203)
* CPG Expenditures [10]	(227,738)	(100,000)	(100,000)	(300,000)	(300,000)	(300,000)
* SW 98th St. Corridor Maintenance [9]		(60,000)	(60,000)	(60,000)	(60,000)	(60,000)
* 2011Q1 Omnibus Ordinance- adopted [13]			(26,121)	-	-	-
* 2011Q3 Omnibus Ordinance- requested [14]			414,046			
* Encumbrance Carryover			(275,844)	-	-	-
*ABT Debt Service[16]					(120,000)	(120,000)
Total Expenditures	**(26,064,830)**	**(29,184,939)**	**(29,072,858)**	**(30,539,214)**	**(32,168,175)**	**(33,752,583)**
Estimated Underexpenditures [11]		583,699	581,457	610,784	643,363	675,052
Other Fund Transactions						
Total Other Fund Transactions	-	-	-	-	-	-
Ending Fund Balance	9,884,668	6,913,464	7,871,826	4,823,892	1,044,756	(3,466,349)
Reserves & Designations						
* Encumbrance Carryover	(275,844)	-	-	-	-	-
Total Reserves & Designations	**(275,844)**	**-**	**-**	**-**	**-**	**-**
Ending Undesignated Fund Balance	**9,608,824**	**6,913,464**	**7,871,826**	**4,823,892**	**1,044,756**	**(3,466,349)**
Target Fund Balance [12]	8,391,142	7,692,325	7,483,339	5,276,253	2,680,681	2,812,715

Financial Plan Notes:

[1] Actuals are based on the 14th Month ARMS Reports.

[2] 2011 Estimated column reflects anticipated adjustments included in the 2011Q1 and Q3 supplemental ordinances, as described below.

[3] Levy Proceeds and Delinquent Levy Collections forecast by Office of Economic and Financial Analysis (OEFA) through 2013. 2014 projected levy proceeds assumption of 2.4% growth, to match PSQ outyear assumption.

[4] Net Investment Income is calculated at 0.55% in 2012 Proposed, 1.46% in 2013 Projected, and 2.49% in 2014 Projected, per March 2011 OEFA forecasts, with 12 basis point investment service fee deducted.

[5] Expansion Levy Admin Fee receipts are aligned with OEFA revenue projections in the Open Space Trails and Zoo Levy Fund/Expansion Levy (Fund 1452).

[6] Business Revenues assume 5% annual growth as recommended by the Parks Futures Task Force. These categories are tracked by the Parks Division.

[7] Continuing General Fund support for the UGA parks will not be needed after the adopted policy change that allows the use of all business revenues to support all parks.

[8] CIP Revenues include transfers from Parks CIP Funds 3160, 3490 and 3581 to support Capital & Land Management/Business Planning. Note: a portion of

[9] Partial funding from Roads for maintenance of the SW 98th Street corridor.

[10] Partial funding of the Community Partnerships and Grants (CPG) program. Additional funds are in Parks CIP.

[11] Estimated Underexpenditures equal 2% of Total Expenditures.

[12] Target Fund Balance reflects the level needed to ensure achieving a fund balance of 1/12th of Total Expenditures at the end of the levy in 2013.

[13] The adopted 2011Q1 supplemental ordinance adds expenditure authority ($53k) because 132nd Square Park (associated with the JFK annexation) will not transfer until 2012 and it adjusts central rates as follows: insurance rate (-$33,988) and GG OH ($7,109).

[14] The 2011Q3 supplemental ordinance requests disappropriated expenditure authority to account for actualized benefits/PERS savings.

[15] 2013 Projected and 2014 Projected assume 5% expenditure increase for regional/rural, UGA expenditures and CIP transfer expenditures.

[16] This charge represents estimated debt service for the Accountable Business Transformation (ABT) Program which begins in 2013 and runs for ten years.

2012 Proposed Budget for

Expansion Levy 1452/0641

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	19,194,402	0.00	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	0	0.00	0.00
Central Rate Changes				
CR25	Financial Service Charges	(13,580)	0.00	0.00
CR48	Business Resource Center	8,586	0.00	0.00
		(4,994)	**0.00**	**0.00**
Technical Adjustments				
TA01	Annual Technical Adjustments	303,697	0.00	0.00
	2012 Proposed Budget	**19,493,105**	**0.00**	**0.00**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Expansion Levy

PROGRAM HIGHLIGHTS

The 2012 Executive Proposed budget for the Expansion Levy is $19.5 million. The Expansion Levy was approved by voters for a six-year period beginning in 2008. Sixty percent of the Expansion Levy, or $11.5 million, supports development and acquisition of King County regional trails and open space. Cities receive twenty percent of the Expansion Levy for trails and open space, estimated to be $3.8 million in 2012. The Woodland Park Zoo also receives twenty percent of the Expansion Levy, or $3.8 million in 2012.

Adjustments to the 2011 Adopted Budget

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and other select operating costs; there was no change for the Expansion Levy.

Technical Adjustments

Annual Technical Adjustments $303,697 Expenditure/($187,879) Revenue. This adjustment is made annually reflect current levy projections and allow all levy dollars to be passed through to the Parks Capital program, the cities and the Woodland Park Zoo. As a result of the levy projection, revenues were also reduced by $187,879.

Central Rate Changes

Central Rate Adjustments – ($4,994). This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a $4,994 decrease in charges to the Expansion Levy fund. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

2012 Proposed Financial Plan
Open Space Trails and Zoo Levy Fund/Expansion Levy 1452/0641

	2010 Actual [1]	2011 Adopted	2011 Estimated	2012 Proposed	2013 Projected	2014 Projected [11]
Beginning Fund Balance	110,644	127,002	222,664	-	0	(8,000)
Revenues						
* Expansion Levy [2]	18,508,018	19,067,400	18,938,950	19,484,175	19,955,620	20,434,555
* Interest [3]	28,237		5,429	8,930	24,279	42,402
Total Revenues	**18,536,254**	**19,067,400**	**18,944,379**	**19,493,105**	**19,979,899**	**20,476,957**
Expenditures						
* King County CPG Program, Regional Trails	(10,935,207)	(11,401,475)	(11,401,475)	(11,578,904)	(11,868,060)	(12,163,312)
* Admin Fee King County CPG Program,	(119,221)	(101,618)	(101,618)	(105,901)	(109,324)	(111,779)
* City Trails and Open Space [6]	(3,657,111)	(3,800,492)	(3,800,492)	(3,859,635)	(3,956,020)	(4,054,437)
* Admin Fee City Trails and Open Space [7]	(8,027)	(33,873)	(33,873)	(35,722)	(36,441)	(37,259)
* Woodland Park Zoo [8]	(3,685,808)	(3,819,686)	(3,819,686)	(3,879,128)	(3,976,000)	(4,074,914)
* Admin Fee Woodland Park Zoo [9]	(4,065)	(14,678)	(14,678)	(16,229)	(17,653)	(18,033)
* Central Rates	(14,795)	(22,580)	(22,580)	(17,586)	(16,401)	(17,221)
* 2011 Supplemental Request			(95,662)			
* ABT Debt Service[12]					(8,000)	(8,000)
Total Expenditures	(18,424,234)	**(19,194,402)**	**(19,290,064)**	**(19,493,105)**	**(19,987,899)**	**(20,484,957)**
Estimated Underexpenditures			123,021			
Other Fund Transactions						
Total Other Fund Transactions	-	-	-	-	-	-
Ending Fund Balance	222,664	(0)	-	0	(8,000)	(16,000)
Reserves & Designations						
Total Reserves & Designations	-	-	-	-	-	-
Ending Undesignated Fund Balance	222,664	(0)	-	0	(8,000)	(16,000)
Target Fund Balance	-	-	-	-	-	-

Financial Plan Notes:

[1] 2010 Actuals from 14th Month ARMS.

[2] Expansion Levy forecast by OEFA.

[3] As funds are distributed monthly, interest will be minimal. Net Investment Income is calculated at 0.34% in 2011 Estimated, 0.55% in 2012, 1.46% in 2013, and 2.49% in 2014.

[4] 3 cents of 5-cent expansion levy (less 1% administrative fee) supports the King County Trails and Open Space capital fund for regional trails, open space and the CPG Program.

[5] Administration fee of 1% of the total allocation to the King County Trails and Open Space capital fund, less proportionate share of central rates.

[6] Cities receive 1 cent of 5-cent expansion levy (less 1% administrative fee) for Trails and Open Space.

[7] Administration fee of 1% of the total allocation to the Cities for Trails and Open Space, less proportionate share of central rates.

[8] Woodland Park Zoo receives 1 cent of 5-cent expansion levy (less 0.5% administrative fee) for environmental education, conservation programs, green space acquisitions and capital improvement projects.

[9] Administration fee of 0.5% of total allocation to the Woodland Park Zoo, less proportionate share of central rates.

[10] All revenues are intended to be distributed within the current year. Distributions are limited to available revenues.

11 Current Levy expires at end of 2013. 2014 Assumes a new levy is adopted and increases by 2.4% over 2013 projection.

[11]Current Levy expires at end of 2013. 2014 assumes a new levy is adopted and increases by 2.4% over the 2013 projection.

[12]This charge represents estimated debt service for the Accountable Business Transformation (ABT) Program which begins in 2013 and runs for ten years.

2012 Proposed Budget for

Youth Sports Facilities Grants 1290/0355

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	825,368	1.00	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(2,744)	0.00	0.00
Central Rate Changes				
CR01	Flexible Benefits	(636)	0.00	0.00
CR05	General Fund Overhead Adjustment	579	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(143)	0.00	0.00
CR08	Technology Services Infrastructure Charge	121	0.00	0.00
CR10	KCIT Operations Charge/Rebate	78	0.00	0.00
CR25	Financial Service Charges	14,647	0.00	0.00
CR26	Retirement Rate Adjustment	216	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(62)	0.00	0.00
CR37	Facilities Management Strategic Initiative	1	0.00	0.00
CR46	KCIT Technology Projects	257	0.00	0.00
CR48	Business Resource Center	751	0.00	0.00
		15,809	**0.00**	**0.00**
Technical Adjustments				
TA01	Annual Technical Adjustments	(66,897)	0.00	0.00
TA39	COLA Adjustment	(173)	0.00	0.00
		(67,070)	**0.00**	**0.00**
	2012 Proposed Budget	**771,363**	**1.00**	**0.00**

* FTEs do not include temporaries or overtime.
** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Youth Sports Facilities Grants

PROGRAM HIGHLIGHTS

The 2012 Executive Proposed budget for the Youth Sports Facilities Grants Fund (YSFG) is $771,363. The Youth Sports Facilities Grants fund is a model for capital planning and development through partnerships, a major component of the Parks and Recreation Division Business Plan. Such partnership programs help the county leverage funding to improve facilities and sustain services and programs.

Adjustments to the 2011 Adopted Budget

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and other select operating costs ($2,744).

Central Rate Changes

Central Rate Adjustments – $15,809. This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a $15,809 increase in charges to the YSFG fund. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

Technical Adjustments

Annual Technical Adjustments ($66,897) Expenditure/$700 Revenue. This proposal adjusts funds available for grant programming and revenues based on the most recent Auto Rental Tax, fund balance and interest income projections. In addition, the revenues were increased by $700.

COLA – ($173). The Cost of Living Adjustment (COLA) is calculated at 1.63 percent from 2011 Adopted.

Capital Budget

The Parks and Recreation Division's Capital Improvement Program (CIP) supports the acquisition, construction and rehabilitation of regional and rural parks, trails and recreational facilities. Projects proposed in the CIP are consistent with policies adopted in the *2002 Parks Business Transition Plan* which contains a number of key policy directions for the Division as follows:

- **Stewardship of Regional Assets**. The county places primary importance on continuing its role in the stewardship of regional assets, including regional parks, regional recreation facilities, regional natural lands, and regional trails.
- **Limited Local Role**. The county's local parks and recreation role will be limited to only rural areas where there is no existing or anticipated alternative service provider.
- **Transfer UGA Parks**. The county will work to transfer identified urban park assets within the Urban Growth Area to cities as annexations occur, and where possible, prior to annexation.
- **Partnerships for Parks**. The county will encourage and pursue partnerships that increase recreational activities in our parks system without incurring additional costs.
- **Limited Strategic Acquisitions**. The county's role in future acquisitions of regional and local parks assets is to be consistent with the business model.
- **Entrepreneurial Business Practices**. Parks operations are aligned to deliver regional park and trail services while employing entrepreneurial business strategies.

The Parks' CIP is also consistent with and implements several policy objectives articulated in the *Countywide Strategic Plan* including Objective 3 within the Economic Growth and Built Environment (EGBE) goal, "Shape a built environment that allows communities to flourish" by acquiring and maintaining regional parks, trails, and open space; and Strategy 2c within the EGBE goal, "meet the growing need for transportation services and facilities throughout the county" by enhancing bicycle and pedestrian infrastructure as alternative transportation options. Additionally, projects proposed in the CIP respond directly to the strategic plan's call for King County to "maintain safe and secure county-owned infrastructure, including parks," (Strategy 1b within the Justice and Safety goal). However, due to funding constraints discussed in further detail below, the CIP program falls short of achieving this objective.

The lack of a stable funding source to address major maintenance needs is the key issue facing Parks' capital budget in the near term. Real Estate Excise Tax (REET) is the sole source of funding for major maintenance for the entire parks system. The housing market collapse and annexations have contributed to a 70 percent decline in REET revenues since 2006, eroding the revenue base to the extent that basic major maintenance and other capital needs cannot be met. Currently there is an estimated $13 million backlog in the system as well as increased demands as the system continues to grow, for example, the acquisition of the Maury Island site.

In addition to major maintenance, REET revenues are also the sole funding source for facility improvements that simultaneously enhance recreation opportunities and generate vital business revenues that help fund operations. The operating fund financial plan is built on an assumption of five percent annual growth for business revenues, and capital investments in the system have been a major driver to help reach this goal.

During this period of decreased REET revenues, the Parks and Recreation Division continues to maintain the system to provide safe and healthy recreation opportunities to park and trail users. The physical integrity of existing facilities and grounds has been a high priority for the division and is reflected in the request for funding projects such as the Bridge and Trestle Program, the Parks Facility Rehab Program, the Regional Trails Surface Improvement Program, Play Area Rehab and the Small Contracts Program. These projects will address immediate major maintenance issues and protect the county's investment in parks and regional trail facilities as best we can given limited resources.

2012 Proposed Financial Plan
Youth Sports Facilities Grant Fund/Youth Sports Facilities Grants 1290/0355

	2010 Actual[1]	2011 Adopted	2011 Estimated	2012 Proposed	2013 Projected	2014 Projected
Beginning Fund Balance	3,716,609	2,781,272	3,201,905	2,713,731	2,670,368	2,673,768
Revenues		-				
* Auto Rental Tax[2]	637,002	703,539	703,539	711,634	728,407	742,666
* Net Investment Income[3]	35,673	23,761	10,103	16,366	43,567	74,479
	-	-	-	-	-	-
Total Revenues	**672,676**	**727,300**	**713,642**	**728,000**	**771,974**	**817,145**
Expenditures						
* Programmed[4]	(1,059,634)	(688,194)	(688,194)	(621,297)	(652,362)	(684,980)
* Operating[5]	(127,746)	(137,174)	(137,174)	(150,066)	(108,412)	(128,552)
* Encumbrance Carryover	-	-	(378,935)	-	-	-
* 2011Q3 Omnibus Ordinance[8]			2,487			
* ABT Debt Service[9]	-	-			(7,800)	(7,800)
Total Expenditures	(1,187,380)	**(825,368)**	**(1,201,816)**	**(771,363)**	**(768,574)**	**(821,332)**
Estimated Underexpenditures		-	-	-	-	-
Other Fund Transactions						
	-	-	-	-	-	-
Total Other Fund Transactions	-	-	-	-	-	-
Ending Fund Balance	3,201,905	2,683,204	2,713,731	2,670,368	2,673,768	2,669,582
Reserves & Designations						
* YSFG Endowment Fund[6]	(2,619,810)	(2,619,810)	(2,619,810)	(2,619,810)	(2,619,810)	(2,619,810)
* Encumbrance Carryover	(378,935)	-	-	-	-	-
Total Reserves & Designations	(2,998,745)	(2,619,810)	(2,619,810)	(2,619,810)	(2,619,810)	(2,619,810)
Ending Undesignated Fund Balance	203,160	63,394	93,921	50,558	53,958	49,772
Target Fund Balance[4]	53,814	58,184	57,091	58,240	61,758	65,372

Financial Plan Notes:

[1] 2010 Actuals based on 14th Month ARMS.

[2] Auto Rental Tax forecast by OEFA March 9, 2011

[3] Net Investment Income is calculated at 0.34% in 2011 Estimated, 0.55% in 2012, 1.46% in 2013, and 2.49% in 2014.

[4] Programmed Expenditures are funded at the level that allows YSFG to meet the Target Fund Balance.

[5] Operating Expenditures consist of salaries, benefits and O&M costs.

[6] Per proviso 13-2 in the 2002 Adopted Budget Ordinance #14265, proceeds from the sale of Stadium property ($646,257) were transferred into YSFG from the Stadium Fund. According to the proviso, these funds cannot be expended or encumbered, but could be used to establish an endowment. The income generated by the endowment can be used to support ongoing grants programs. Proceeds from the sale of the Johnson Building ($1,973,553) were added to the YSFG Endowment Fund in 2008. Proceeds from the sale of any other remaining Stadium property (after accounting for the set-aside to support housing provided for in Ordinance #13262 and for any negative fund balance remaining after termination of the Stadium) will also be transferred to supplement the YSFG Endowment. The YSFG Endowment, totaling $2,619,810, resides in Subfund 1291, with interest from the endowment automatically transferring to Fund 1290.

[7] The Target Fund Balance is 8% of Total Revenues, exclusive of Johnson Building Endowment funds.

[8] The 2011Q3 supplemental ordinance requests disappropriated expenditure authority to account for actualized benefits/PERS savings.

[9]This charge represents estimated debt service for the Accountable Business Transformation (ABT) Program which begins in 2013 and runs for ten years.

Transportation

Department of Transportation

FUND: FERRY DISTRICT

Marine Division

- Operations
- Maintenance
- Administrative

FUND: AIRPORT

Airport Division

- Assistant Airport Director
- Operations & Compliance
- Budget & Finance
- Planning
- Property Management
- Engineering
- Airpot Chief of Police/ARFF
- Maintenance
- Information Technology
- Special Projects

FUND: COUNTY ROAD

Road Services Division

- Intergovernmnental and Special Projects Unit
- Finance Unit
- Human Resources Unit
- Road Maintenance
- Capital Improvement Programs & Planning
- Budget & Systems Administration
- Engineering Services & Traffic Engineering
- Traffic Engineering
- Engineering Services

FUND: PUBLIC TRANSPORTATION

Director's Office

- Director
- Deputy Director
- Human Resources
- Special Projects
- Community Relations
- Emergency Preparedness
- Public Affairs
- Business & Finance
- Government Relations Officer
- Assistant Director
- Transit Oriented Development
- Office of Regional Transportation Planning

Transit Division

- Deputy Division Manager
- Design & Construction
- Service Development
- Budget & Finance
- Transit Police Unit
- Transit Safety Unit
- Human Resources
- Management & Research Information
- Transit Operation
- Power & Facilities
- Sales & Customer Service
- Information Technology
- Paratransit/Rideshare
- Vehicle Maintenance
- Central Link Light Rail

FUND: PUBLIC WORKS EQUIPMENT REPLACEMENT & REPAIR

FUND: MOTOR POOL

FUND: WASTEWATER EQUIPMENT RENTAL & REVOLVING

Fleet Administration Division

- Budget & Finance
- Construction Equipment Acquisition & Maintenance
- Store's Operations
- Motor Pool Vehicle Acquisition & Maintenance
- Personal Property Management & Surplus
- Climate Change
- Fleet Coordinator

TRANSPORTATION

Mission:

Transportation

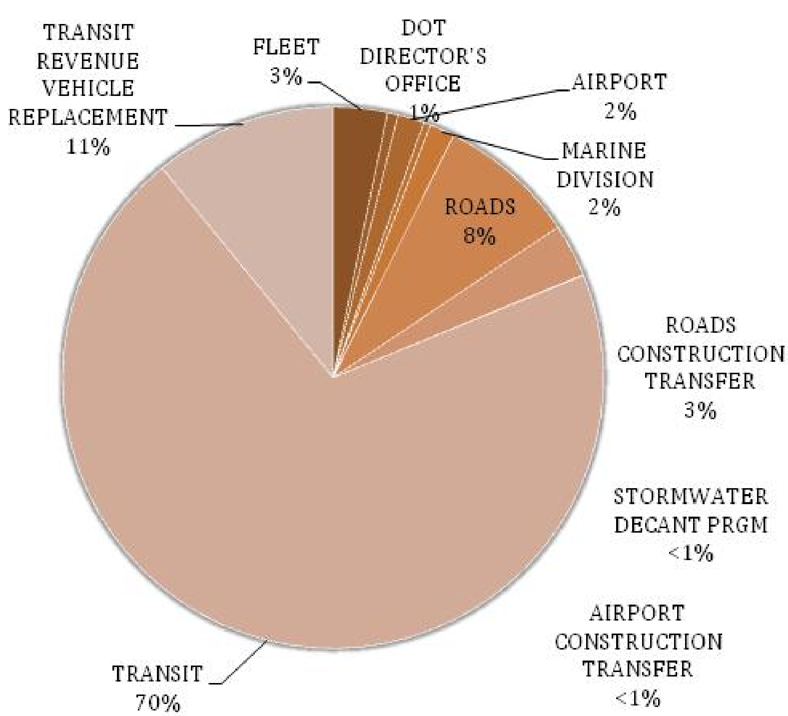
To improve the quality of life for the citizens of King County by providing mobility in a way that protects the environment, helps to manage growth, and reduces traffic congestion.

OVERVIEW

The Department of Transportation (DOT) includes the following DOT divisions: DOT Director's Office; Roads Services Division; Airport Division; Transit Division; Marine Division; and Fleet Administration Division. The 2012 / 2013 Executive Proposed Budget reflects a continuing need to address the transportation priorities of King County efficiently and economically within funding constraints. Many DOT divisions continue to experience significant financial pressures resulting from structural deficits and the declining economy. This has required prudent financial management on the part of all DOT divisions in order to preserve services to the community.

The Department of Transportation strongly advances the King County Strategic Plan Economic Growth and Built Environment (EGBE) Goal, and thus the Department's appropriation units are included in the EGBE section of the Executive Proposed Budget Book.

Department of Transportation Appropriations
$1.9 Billion



Fleet is reported out under the How We Deliver section of the budget book.

Department of Transportation Director's Office

The purpose of the King County Department of Transportation (DOT) Director's Office is to support the delivery of transportation services by the department's Transit, Road Services, Airport, Fleet Administration, and Marine divisions. The DOT Director's Office advances the missions and goals of the department's divisions by providing leadership and coordination as well as direct centralized services to the divisions. Specifically, the DOT Director's Office provides: (1) overall department leadership resulting in shared goals and collaboration on transportation service delivery, grant applications, and transportation policy; (2) human resources, reform, and process improvement; (3) coordination for countywide initiatives including strategic planning, performance management and performance measurement, energy saving and global warming mitigation, equity and social justice, and customer service; (4) essential services to divisions including emergency preparedness planning and implementation, community relations, internal and external communications, public information and outreach, grant management services, and legislative coordination across local, state, and federal governments; and (5) leadership for regionally significant projects.

The Director's Office budget resides in the Public Transportation operating fund (along with Transit operations). Division operations are funded primarily through allocations and direct service charges to the DOT divisions and other King County departments, with the bulk of the DOT Director's Office revenues derived from allocations from the Transit Division.

2012 / 2013 Key Issues

The Director's Office will continue to provide leadership, advocacy, and support for the department, its customers, and the community. DOT will focus on safety and security, mobility, environmental health, equity and social justice, workforce development, and customer service with an emphasis on managing costs and maximizing revenues. During the 2012 / 2013 biennium, the two largest divisions, Transit and Road Services, will begin framing budget decisions and resource allocations in terms of their adopted strategic plans and implementation plans. The Airport began their strategic planning process in 2011. The other divisions will begin the strategic planning process in 2012 with support from the Director's Office.

The Director's Office will play a critical role in supporting Transit and Roads as they work with their customers, stakeholders, and decision makers to fully inform all of the consequences and expected outcomes of this new way of doing business. The Director's Office will lead in development of funding options, forging regional partnerships, and providing support for all efforts to generate new revenues. These efforts will mitigate the impact that financial shortfalls have on the advancement of the strategies within the Economic Growth and Built Environment goal.

The 2012-2013 Director's Office budget proposal was developed to be responsive to current economic conditions while being mindful of the significant resources necessary to support Roads and Transit during this transformational period.

Executive Priorities Considered in 2012 / 2013 Business Planning and Budget Development

The Executive's 2012 priorities to advance the King County Strategic Plan (KCSP) and inform the 2012 / 2013 Proposed Budget spotlighted consideration of Equity and Social Justice; attainment of a 3 percent efficiency target while maintaining value and service levels; and KCSP alignment of agency goals, objectives, and services.

- ***Equity and Social Justice****:* The Director's Office provides leadership and coordination among the divisions for DOTs work on countywide initiatives. These include equity and social justice (ESJ) efforts.

  The core of the department's business operations is dependent on the quality of customer relationships and the responsiveness of services to customer needs. The department's ESJ activities relative to DOT business operations focus on three primary objectives:

  - Promoting opportunities to integrate ESJ into decision making (resources, services, and policies).
  - Elevating employee awareness of the department's ESJ activities to demonstrate the practical value of ESJ in the workplace, both among employees and with customers.
  - Continuing an active community engagement model that engages community stakeholders as partners to improve access to services.

  In 2012 / 2013, DOT will refine the application of relevant demographic and service data, combining it with lessons learned from an effective South Park Bridge and Greenbridge Housing community engagement model to help better inform the department on how the diversity of our community may be impacted by proposed service decisions. In 2012 / 2013 biennium, the Director's Office will focus their efforts to determine relevant data sources and to work across departments to collaborate and coordinate access to services.

  The department's experience to date with the ESJ initiative illustrates that employees remain unclear about how their individual work supports ESJ. Initial awareness training conducted by the DOT Director throughout the department set the tone and expectation for ESJ. Over the next few years, the Director's Office will continue to raise employee awareness of ESJ activities by sharing positive events and experiences that demonstrate to employees that responsive customer service and better knowledge and use of language and community support assets give employees the necessary tools to help improve access and availability to county services.

- ***3 Percent Efficiencies:*** The Director's Office will continue its vigilant cost management practices, which focus on reducing expenditures and finding efficiencies that can be passed on to the divisions. The Director's Office is managing space consolidation efforts in the various county buildings that the Department of Transportation occupies. The 2012 / 2013 Proposed Budget for Transit, Road Services, and the Director's Office will reflect significant savings and more-efficient office configurations resulting from this effort. In addition to consolidation of rents, the Director's Office was able to eliminate one vehicle and will utilize cheaper, pool cars for travel. Lastly, the Director's Office achieved operational efficiencies resulting in the elimination of one position and reclassification of another. Together, these efforts resulted in cost savings of approximately $300,000 over the biennium.

  In the coming years, the Director's Office will focus on achieving other efficiencies. The grant management section is focusing on old grants that may be re-purposed to provide funding for capital activities. Rather than turning back these old grants to their granting agencies, the Director's Office is working to gain approval to use these funds for similar scope activities. While this will not reduce costs in the Director's Office, the divisions will benefit significantly. The Director's Office is also leading an effort to maximize our use of electronic records retention and reduce the cost of on-site records storage. Lastly, the Director's Office will be leading the introduction of innovative communications and collaboration tools across the department – especially expanding the use of Microsoft SharePoint to increase efficiency of internal, departmental, inter-departmental and inter-agency processes. DOT will be collaborating with KCIT and other departments to plan, develop and implement process improvements.

2012/2013 Biennium Budget for

DOT Director's Office 4640/5010M

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	26,581,928	92.15	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(12,547,343)	2.10	1.00
SQ13	2013 Base Budget - $3,540,157 Revenue	14,708,506	0.00	0.00
		2,161,163	**2.10**	**1.00**
Efficiency Reductions				
ER02	Organizational Staffing Efficiency	(196,287)	(.60)	0.00
Technology Cost Savings				
CS02	KCIT Information Technology Reorganization	(16,686,566)	(61.25)	0.00
Program Changes				
PC01	Reduction in Roads IT Support	(119,463)	(.50)	0.00
PC02	Position Transfer to Transit Division	(245,537)	(1.00)	0.00
		(365,000)	**(1.50)**	**0.00**
Central Rate Changes				
CR01	Flexible Benefits	31,104	0.00	0.00
CR05	General Fund Overhead Adjustment	57,165	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(4,201)	0.00	0.00
CR08	Technology Services Infrastructure Charge	(44,653)	0.00	0.00
CR09	Geographic Information Systems Charge	(475)	0.00	0.00
CR10	KCIT Operations Charge/Rebate	(13,548)	0.00	0.00
CR13	Motor Pool Rate Adjustment	(5,243)	0.00	0.00
CR16	Radio Access	9	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(93)	0.00	0.00
CR22	Long Term Leases	(23,370)	0.00	0.00
CR25	Financial Service Charges	53,088	0.00	0.00
CR26	Retirement Rate Adjustment	126,113	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(4,699)	0.00	0.00
CR36	Property Services Lease Administration Fee	(418)	0.00	0.00
CR37	Facilities Management Strategic Initiative	(2,028)	0.00	0.00
CR38	Major Maintenance Repair Fund	(3,541)	0.00	0.00
CR48	Business Resource Center	50,586	0.00	0.00
CR50	IT Re-Organizational Transfer	48,512	0.00	0.00
		264,308	**0.00**	**0.00**
Technical Adjustments				
TA03	Technical Revision to Communications Contra and Other Accounts	470,234	0.00	0.00
TA10	Revenue Adjustment - ($2,782,446) Revenue	0	0.00	0.00
TA39	COLA Adjustment	(266,653)	0.00	0.00
TA40	Merit Adjustment	(153,055)	0.00	0.00
		50,526	**0.00**	**0.00**
	2012/2013 Biennium Budget	**11,810,072**	**30.90**	**1.00**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Department of Transportation Director's Office

PROGRAM HIGHLIGHTS

The total 2012 / 2013 Proposed budget for the Director's Office is $11,810,072, with funding for 30.90 FTEs and 1.00 TLTs. This proposed 2012 / 2013 budget amount represents a 56 percent decrease from the 2010 / 2011 Adopted Budget. This decrease is primarily associated with the transfer of IT staff to KCIT associated with the IT reorganization.

Adjustments to Adopted Budget

2011 Service Levels Adjusted for 2012 Costs – ($12,547,343) / 2.10 FTEs / 1.0 TLT. Adjustments to the 2010 / 2011 Adopted Biennial Budget were made to incorporate inflation in labor and other select operating costs, to incorporate mid-biennial review supplemental changes, and to remove the 2010 portion of the budget to create a baseline for the 2012 budget. All of the adjustments result in a net decrease of ($12,547,343) from the 2010 / 2011 Adopted Biennial Budget.

2013 Base Budget – 14,708,506 / $3,540,157 Revenue. This change inflates the 2012 base budget to generate the 2013 base for the 2012 / 2013 biennial budget.

Efficiency Reductions

Organizational Staffing Efficiency – ($196,287) / (0.60) FTE. This item involves the elimination of two positions. One position, an Administrator I, will be replaced by a new position at a lower classification (Admin Specialist II). The higher level Administrator I duties formerly performed by this position will be absorbed by the remaining Administrator I position in the Deputy Director's organization. The duties for the other eliminated position, a Communication Specialist III (videographer), will be transferred to the Senior Photographer. In order to accommodate the increased workload, the Senior Photographer's position will become full-time by adding 16 hours per week (0.4 FTE).

Technology Cost Savings

KCIT Information Technology Reorganization – ($16,686,566) / (61.25) FTE. This item involves the transfer of 61.25 information technology FTEs that supported all DOT divisions from the DOT Director's Office to KCIT as part of the ongoing King County IT Reorganization. Salary, benefits and technology resources are transferred from the Director's Office to the Information Technology (IT) Services fund to consolidate Executive branch IT budgets into one fund with oversight and management by the Chief Information Officer. The Director's Office and the DOT divisions will pay for IT services via central rate CR50, which offsets the transfer.

Program Changes

Reduction in Roads IT Support – ($119,463) / (0.50) FTE. This change item reduces IT support for the Roads Services Division by 0.50 FTE. Road Services has determined that they require a lower level of support and have requested this adjustment. This reduction is reflected in the IT Reorganization change item above.

Position Transfer to Transit Division – ($245,537) / (1.00) FTE. This change item is associated with the transfer of a position from the DOT Director's Office to Transit. The position, which is eliminated from the Director's Office by this change, was incorrectly classified as an IT position. When added into the Transit budget, the position will be corrected to a business function classification.

Central Rate Changes

Central Rate Adjustments – $264,308. This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, plus mid-biennial supplemental, and results in a $264,308 increase in charges to the Director's Office. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

Technical Adjustments

Technical Revision to Communications Office Contra and Other Accounts – $470,234. This change item eliminates a contra in the budget and also revises other expenditures to match anticipated actual costs. In the past, some communications work performed by the Director's Office for the DOT divisions was estimated in the budget in the form of a contra (negative expenditure). Costs for communications work were charged to the divisions and transferred to the Director's Office. To increase transparency, in 2012 communications costs will be estimated for each division and included in the Director's Office allocation. This will simplify the billing and accounting processes related to support provided to the DOT divisions by eliminating monthly transactions. Communications will continue to utilize project billing system and will reconcile expenses to allocation annually and make adjustments if necessary.

Revenue Adjustment – ($2,782,446) Revenues. This adjustment makes several revisions to revenue accounts to match the 2012 / 2013 allocation plan, including removing revenue from DOT divisions associated with IT staff being moved to KCIT as part of the Information Technology reorganization.

COLA Adjustment – ($266,653). The Cost of Living Adjustment (COLA) is calculated at 1.63 percent for 2012 and 2.36 percent for 2013.

Merit Adjustment – ($153,055). The merit adjustment revises merit budget for operational changes not included in other change items.

KING COUNTY INTERNATIONAL AIRPORT

Mission:

King County International Airport

Provide safe and continuous aviation services that support scheduled commercial, charter, and air cargo airlines as well as general aviation and corporate operators as part of the national air transportation system, while fulfilling the needs of county and state businesses and residents for quality airport transportation services and facilities.

OVERVIEW

King County International Airport (KCIA) has been serving King County and its citizens since 1928. KCIA provides safe and continuous aviation airport services, and is classified by the Federal Aviation Administration as a Class II, Primary, Commercial Service, Non-Hub Reliever Airport.

DOT Airport Division furthers the County's Economic Growth and Built Environment goal, specifically strategy D of objective 1: "maintain infrastructure that facilitates the efficient movement of freight and goods to promote trade across the region." KCIA supports the economic vitality of the county by supporting over 12,000 jobs in the local economy and creating $800 million in labor income in King County[1]. KCIA clients range from private pilots to corporate aircraft operations, government organizations, retailers, and wholesalers. It is home to over 150 tenant businesses such as the Boeing Company, United Parcel Service (UPS), DHL Deutsche Post, BAX Global, Galvin, and Clay Lacy.

2012 / 2013 Key Issues

The weak local and national economy has affected the Airport Division's revenue for the last three years. The vacancy rate at KCIA has increased due to bankruptcies and the poor economy. The Airport Division has been working to make some airside sites more development-ready and maximize the value of the parcels, in addition to finding viable long-term tenants to fill vacancies. This is in line with the KCSP Financial Stewardship Strategy 2.a: "manage the county's assets and capital investments in a way that maximizes their productivity and value."

Executive Priorities Considered in 2012 / 2013 Business Planning and Budget Development

The Executive's 2012 priorities to advance the King County Strategic Plan (KCSP) and inform the 2012 / 2013 Proposed Budget spotlighted consideration of Equity and Social Justice; attainment of a 3 percent efficiency target while maintaining value and service levels; and KCSP alignment of agency goals, objectives, and services.

- ***Equity and Social Justice***: The Airport Roundtable, an advisory board to the Airport's management, the County Executive, and the County Council, provides an opportunity to address many elements of the County's equity and social justice (ESJ) initiative. Eight of the sixteen Roundtable positions are reserved for representatives of communities affected by airport operations, giving these communities an excellent forum to voice their opinions and influence decisions on issues important to them.

[1] Beyers, William B., and Michael Bebb. *"King County International Airport Economic Impact Study 2008."* March 2009.

The airport also operates the Residential Aircraft Noise Remedy Improvement Program (RANRIP) which reduces noise levels in homes adjacent to the airport to acceptable federal standards at no cost to the home's occupant or owner. The program supplies language interpretive services for interested residents to mitigate any language barriers.

- ***3 Percent Efficiency***: The Airport Division is making investments in operations that yield long-term savings and return for the airport. In 2012, the Airport Division will continue to actively pursue redevelopment of vacant or underutilized leases to augment revenue, make some parcels more development ready through demolition and/or cleanup of existing sites, complete a strategic plan to better determine long-term development opportunities, and continue to look for opportunities to reduce costs in its operating and capital budgets. It is working with its regional partners to streamline stormwater management and firefighting services and costs.

2012/2013 Biennium Budget for
Airport 4290/0710

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2010-2011 Adopted Biennial Budget	28,315,564	46.00	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(13,861,350)	0.00	0.00
SQ13	2013 Base Budget	14,998,352	0.00	0.00
		1,137,002	**0.00**	**0.00**
Efficiency Reductions				
ER01	ARFF, Legal, and Professional Services	(403,287)	0.00	0.00
ER44	Building Occupancy Efficiency Reduction	(106,940)	0.00	0.00
		(510,227)	**0.00**	**0.00**
Technology Cost Savings				
CS02	IT Centralization	(590,180)	0.00	0.00
Central Rate Changes				
CR01	Flexible Benefits	(29,256)	0.00	0.00
CR05	General Fund Overhead Adjustment	29,972	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(2,118)	0.00	0.00
CR08	Technology Services Infrastructure Charge	17,623	0.00	0.00
CR09	Geographic Information Systems Charge	79,559	0.00	0.00
CR10	KCIT Operations Charge/Rebate	3,743	0.00	0.00
CR11	Telecommunications Services	(4,137)	0.00	0.00
CR12	Telecommunications Overhead	(1,424)	0.00	0.00
CR13	Motor Pool Rate Adjustment	61	0.00	0.00
CR14	Facilities Management Space Charge	(66,282)	0.00	0.00
CR15	Insurance Charges	39,883	0.00	0.00
CR16	Radio Access	1,452	0.00	0.00
CR17	Radio Maintenance	313	0.00	0.00
CR18	Radio Direct Charges	5,426	0.00	0.00
CR19	Radio Reserve Program	(2,610)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(3,401)	0.00	0.00
CR21	Debt Service Adjustment	(43,739)	0.00	0.00
CR25	Financial Service Charges	73,631	0.00	0.00
CR26	Retirement Rate Adjustment	8,363	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(3,911)	0.00	0.00
CR33	Credit Enhancement Fee Adjustment	(856)	0.00	0.00
CR36	Property Services Lease Administration Fee	(64,890)	0.00	0.00
CR37	Facilities Management Strategic Initiative	50	0.00	0.00
CR46	KCIT Technology Projects	11,820	0.00	0.00
CR48	Business Resource Center	21,211	0.00	0.00
CR50	IT Re-Organizational Transfer	387,006	0.00	0.00
		457,489	**0.00**	**0.00**
Technical Adjustments				
TA01	Narrowbanding Radio Equipment	33,000	0.00	0.00
TA02	Utilities Adjustments	774,725	0.00	0.00
TA03	Other Technical Adjustments	98,838	0.00	0.00
TA39	COLA Adjustment	(7,205)	0.00	0.00
TA50	Revenue Adjustment - ($590,783)	0	0.00	0.00
		899,358	**0.00**	**0.00**
	2012/2013 Biennium Budget	**29,709,006**	**46.00**	**0.00**

Code/ Item# Description	Expenditures	FTEs *	TLTs

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

King County International Airport

PROGRAM HIGHLIGHTS

DOT Airport Division is funded through a variety of fees and lease agreements with KCIA tenants. The 2012 / 2013 Proposed Budget for the Airport Division is $29,709,006 and 46.00 FTEs, plus an additional $7.7 million transferring from the operating fund to its capital program over the biennium.

Adjustments to the 2011 Adopted Budget

Adjustments to the 2010-2011 Adopted Biennial Budget were made to incorporate inflation in labor and other select operating costs, remove the 2010 portion of the budget to create a baseline for the 2012 budget. All of the adjustments result in a net decrease of ($13,861,350) from the 2010-2011 Adopted Biennial Budget.

2013 Base Budget - $14,998,352 Expenditure and $17,922,592 Revenue. This change item inflates the 2012 base budget to generate the 2013 base for the 2012/2013 biennial budget. The Cost of Living Adjustment (COLA) is calculated as 2.36 percent for 2013.

Efficiency Reductions

ARFF, Legal, and Professional Services – ($403,287). This biennial adjustment reflects a slowed growth in costs for the Airport Rescue and Firefighting (ARFF) Unit due to reorganization within the Sheriff's Office and holding a position vacant. By holding a sergeant position vacant, the division expects additional savings from what is budgeted. The adjustment also includes minor reductions in contract and professional services.

Building Occupancy Efficiency Reduction – ($106,940). In 2011 the Airport collaborated with Facilities Management to reduce janitorial and building maintenance costs due to the reduction of occupied space in buildings at King County International Airport.

Technology Cost Savings

Information Technology Reorganization – ($590,180). Salary, benefits and technology resources are transferred from DOT Airport to the Information Technology (IT) Services fund to consolidate Executive branch IT budgets into one fund with oversight and management by the Chief Information Officer. DOT Airport will pay for IT services via central rate CR50, which offsets the transfer.

Central Rate Changes

Central Rate Adjustments – $457,489. This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

Technical Adjustments

VHF / 800 MHz Radio Equipment - $33,000. This adjustment represents a one-time purchase to upgrade VHF (very high frequency) equipment to new federal standards and buy spare parts for older 300MHz radios.

Utilities Adjustments - $774,725. This biennial adjustment reflects changes to utility accounts such as oil, fuel, and water-related costs. The majority of the increase is due to higher surface water management (SWM) payments to Seattle and Tukwila, an additional $677K over two years, from what was previously budgeted.

Other Technical Adjustments - $98,838. This biennial adjustment increases payment to the Road Services Division for human resources support to match actual expenditures, as well as increases budget for parking garage usage and office supplies.

COLA – ($7,205). This amount reflects the change from the preliminary Office of Economic and Financial Analysis forecast for Cost of Living Adjustment (COLA), which was 1.77 percent, to the final 2012 COLA rate of 1.63 percent.

Revenue Adjustments – ($590,783) Revenue. This biennial adjustment updates the revenue accounts to match the current financial plan for 2012 and 2013. Reductions to land leases and facility rentals are partially offset by fuel flowage fees.

2012 Proposed Financial Plan
Airport Fund/Airport 4290/0710

	2010 Actual[1]	2011 Adopted	2011 Estimated[2]	2012 Proposed	2013 Proposed	2014 Projected[3]	2015 Projected[3]
Beginning Fund Balance	5,735,095	2,964,849	7,020,335	8,793,134	8,079,279	7,381,354	7,203,341
Revenues							
Leases	14,426,821	13,301,627	14,534,218	12,876,791	12,753,523	12,753,523	12,753,523
Other Fees and Operating Revenues	4,615,914	4,175,811	4,652,830	4,721,485	4,750,872	4,760,198	4,812,596
Interest Earnings	116,180	45,362	15,445	37,352	114,478	189,606	366,865
			-				
Total Revenues	**19,158,915**	**17,522,800**	**19,202,492**	**17,635,628**	**17,618,873**	**17,703,327**	**17,932,984**
Total Biennial Revenues					**35,254,501**		**35,636,310**
Expenditures							
Operating Expenditures	(9,440,661)	(10,861,530)	(10,861,530)	(11,017,502)	(11,149,827)	(11,714,927)	(12,066,375)
ARFF KCSO Contract	(2,750,416)	(2,905,882)	(2,905,882)	(3,083,580)	(3,222,341)	(2,924,586)	(3,012,323)
2001 Bond Debt	(682,599)	(688,988)	(628,769)	(616,337)	(619,419)	(623,400)	(615,025)
Benefit and Retirement Savings			109,316				
Total Expenditures	**(12,873,676)**	**(14,456,400)**	**(14,286,865)**	**(14,717,419)**	**(14,991,587)**	**(15,262,913)**	**(15,693,723)**
Total Biennial Expenditures					**(29,709,006)**		**(30,956,636)**
Estimated Underexpenditures[4]			357,172	367,935	374,790	381,573	392,343
Other Fund Transactions							
Operating Transfer to CIP	(5,000,000)	(3,500,000)	(3,500,000)	(4,000,000)	(3,700,000)	(3,000,000)	(3,000,000)
Total Other Fund Transations	(5,000,000)	(3,500,000)	(3,500,000)	(4,000,000)	(3,700,000)	(3,000,000)	(3,000,000)
Total Biennial Other Fund Transactions					**(7,700,000)**		**(6,000,000)**
Ending Fund Balance	**7,020,334**	**2,531,249**	**8,793,134**	**8,079,279**	**7,381,354**	**7,203,341**	**6,834,945**
Reserves & Designations							
Strategic Reserve[5]		-	-	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
ABT Debt Service [6]					(90,000)	(90,000)	(90,000)
		-	-				
Total Reserves & Designations	-	-	-	(2,000,000)	(2,090,000)	(2,090,000)	(2,090,000)
Ending Undesignated Fund Balance	7,020,334	2,531,249	8,793,134	6,079,279	5,291,354	5,113,341	4,744,945
Target Fund Balance [7]	2,145,613	2,409,400	2,381,144	2,452,903	2,498,598	2,543,819	2,615,620

Financial Plan Notes:

1 2010 Actuals are taken from the 2010 CAFR or 14th Month ARMS/IBIS.
2 2011 Estimated is based on year-to-date actuals and lease analysis.
3 2014 and 2015 Projected are based on lease analysis and economic indicators
4 Estimated underexpenditure is calculated as 2.5% of total expenditures in the operating fund.
5 This reserve is designated for future, potential costs related to environmental issues and infrastructure needs.
6 This charge represents estimated debt service for the Accountable Business Transformation (ABT) Program which begins in 2013 and runs for ten years.
7 Target fund balance is based on 60 day operating expenditures exclusive of the CIP transfer.

2012/2013 Biennium Budget for

Airport Construction Transfer 4290/0716

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	8,500,000	0.00	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(4,500,000)	0.00	0.00
SQ13	2013 Base Budget	3,700,000	0.00	0.00
		(800,000)	**0.00**	**0.00**
	2012/2013 Biennium Budget	**7,700,000**	**0.00**	**0.00**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Airport Construction Transfer

PROGRAM HIGHLIGHTS

As described earlier, the Airport Division will transfer $7.7 million from its operating fund to its capital program in the 2012 / 2013 biennium.

Adjustments to the 2010 / 2011 Adopted Budget

Adjustments to the 2010 / 2011 Adopted Biennial Budget were made based on the availability of funds and capital project priorities. All of the adjustments result in a net decrease of ($4,500,000) from the 2010 / 2011 Adopted Biennial Budget.

2013 Base Budget - $3,700,000 Expenditure. This change item inflates the 2012 base budget to generate the 2013 base for the 2012 / 2013 biennial budget.

Airport Division Capital Improvement Program

The purpose of the Airport Division's capital program is to maintain, upgrade and redevelop a first-class general aviation transportation facility that provides safe and continuous general aviation services. The 2012 / 2103 Executive Proposed CIP Budget is $20.4 million. The 2012-2017 six year capital plan supports the King County Strategic Plan, and significantly enhances the Economic Growth and Built Environment goal by increasing mobility for people and freight.

The 2012 / 2013 Executive Proposed CIP Budget will make the airport more development-ready by funding the demolition of buildings no longer of much value as well as fully developing and leasing underdeveloped areas of the airport. The Airport Division will address other aging buildings and infrastructure needs in its upcoming strategic plan.

Projects of note within the 2012 / 2013 biennium include:

Residential Noise Remedy Improvements - $16,842,106. This is an ongoing project. The purpose of the program to reduce the interior noise levels in homes surrounding the airport that have at least one habitable room with a noise level greater than 45 decibels. Of the $16.8 million appropriation request, $16 million is funded through a grant from the Federal Aviation Administration.

Airport Development - $2,860,365. This is an ongoing project to plan for and develop the King County International Airport in order to meet aviation demand. The environmental clean-up of sites and demolishing of old facilities to redevelop underutilized space is proposed in the 2012 / 2013 Executive Proposed CIP Budget, as well as a division strategic plan.

Airport Development Sub-Projects	**2012 / 2013 Proposal (Rounded to thousand dollar)**
Airport Strategic Plan	$450,000
Environmental cleanup of development sites	$1,000,000
Demolish vacated sites	$1,411,000
TOTAL	**$2,861,000**

Lower Duwamish Source Control - $300,000. This represents the current estimate of Airport Division's portion of King County's and other entities' obligation to clean up the Environmental Protection Agency (EPA) superfund site in the Lower Duwamish. Costs include legal fees, planning fees, source control, as well as the general clean-up and restoration of the Duwamish. King County is partnering with the City of Seattle, Boeing, and the Port of Seattle to work with the EPA and the state Department of Ecology to develop cleanup goals and prevent recontamination.

MARINE DIVISION

Mission:

Marine Division

To provide safe, reliable, efficient, environmentally sound, customer-friendly, and fiscally responsible passenger-only ferry services to the public and establish waterborne transportation as a viable alternative mode of transportation in support of regional mobility and a high quality of life in King County, under contract with the King County Ferry District

OVERVIEW

The King County Department of Transportation Marine Division currently operates the King County Water Taxi through an inter-local agreement, or contract, between the Ferry District and King County. The Marine Division is responsible for the operations, moorage, and maintenance of the vessels that provide ferry services.

The Marine Division provides passenger-only ferry service between downtown Seattle, Vashon Island, and West Seattle. The division currently uses two leased vessels to serve its two routes. The Vashon Island/downtown Seattle route provides year-round passenger-only ferry services during commute periods on weekdays. The West Seattle/downtown Seattle route provides similar weekday commuter ferry service during the winter months, and daily passenger-only ferry service for 11 to 16 hours a day between April and October. By providing this service, the Marine Division advances several strategies of the King County Strategic Plan's Economic Growth and Built Environment (EGBE) goal. The division's ferry service to and from downtown Seattle aligns with Strategy 2b, "Focus transportation resources to support density and growth." In addition, the division provides a connector shuttle in West Seattle and connects with Metro bus service on Vashon Island, advancing Strategy 2c, "Coordinate and develop services for an integrated and seamless regional transportation system."

2012 / 2013 Key Issues

The Marine Division is planning to provide passenger-only ferry service in 2012 / 2013 at a level similar to its service in calendar years 2010 and 2011, aligning with Objective 2 of the EBGE goal, "Meet the growing need for transportation services and facilities throughout the county." Finding a sustainable funding source and relatively low fare-box recovery on the West Seattle route are two key issues the division faced in developing its 2012 / 2013 budget.

Sustainable Funding Source

The revenue forecast from the property tax levy, passenger fares, and other sources continues to be insufficient to sustain current levels of ferry operations into the future. The broad issue of a sustainable funding source, or sources, must be addressed in the not-too-distant future. Current projections indicate sufficient reserve in the Ferry District fund to support the planned Marine Division 2012 / 2013 budget proposal. To address this issue, the Marine Division's 2012 / 2013 budget includes funding for a strategic plan, which would identify options for sustainable funding. This work would advance Objective 2 of the Financial Stewardship goal within the KCSP, "Plan for the long-term sustainability of county services."

Marketing/Advertising

The King County Ferry District is currently responsible for the functions of ferry system marketing and advertising. Marketing and advertising have direct and significant effects on the operations of the passenger ferry service. Low West Seattle ridership in 2010 is believed to be attributable in part to the lack of an effective marketing campaign. Successful marketing efforts are linked to increased ridership and fare revenues and relief of traffic congestion, and they play an important role in providing local transit options and supporting the local economy. The 2012-2013 Marine Division budget includes additional staffing to increase marketing and advertising. This work is aligned to the Public Engagement goal of the KCSP, specifically Objective 3, “Improve public awareness of what King County does.” An effective marketing campaign would also advance the Service Excellence goal of the KCSP, to “Establish a culture of customer service and deliver services that are responsive to community needs.”

Executive Priorities Considered in 2012 / 2013 Business Planning and Budget Development

The Executive’s 2012 priorities to advance the King County Strategic Plan (KCSP) and inform the 2012 / 2013 Proposed Budget spotlighted consideration of Equity and Social Justice; attainment of a 3 percent efficiency target while maintaining value and service levels; and KCSP alignment of agency goals, objectives, and services.

- ***Equity and Social Justice:*** In the short term, the Marine Division will explore ways to provide more equitable access to the Water Taxi, including items such as wheelchair-friendly gangways and identification of other languages and formats in which to provide schedule and service information. This will allow the division to begin to incorporate ESJ considerations into its operations in 2012. Eventually, the Marine Division plans to analyze the social, economic, and cultural dynamics of the populations of Vashon Island, West Seattle, and Downtown Seattle, in order to develop ideas for broadening its outreach to specific areas of need.

- ***3 Percent Efficiency:*** The Marine Division identified several areas in which it will achieve efficiencies in its 2012-2013 budget: negotiation a new terminal lease with Washington State Ferries, staffing efficiencies, general operating efficiencies, and an increase in commuter service to West Seattle while holding staffing levels steady. The division successfully negotiated a new contract with Washington State Ferries that reduces terminal lease payments and allows the division to achieve related operational savings, totaling $410,019 over the 2012/2013 biennium. Second, staffing efficiencies in the form of fewer hours, less overtime, reduced penalty pay, and reduced temporary services resulted in a savings of $379,623 over the biennium. Finally, the division increased commuter service to West Seattle by 30 percent in 2011 without a commensurate increase in staffing. After accounting for small increases in fuel and engine maintenance costs, the division is avoiding approximately $95,000 of additional labor costs per year.

2012/2013 Biennium Budget for

Marine Division 1590/1460M

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	18,427,469	19.96	1.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(12,766,013)	0.00	0.00
SQ13	2013 Base Budget	5,785,178	0.00	0.00
		(6,980,835)	**0.00**	**0.00**
Efficiency Reductions				
ER01	WSF Contract Savings	(410,019)	0.00	0.00
ER02	Scheduling Efficiencies	(379,592)	0.00	0.00
		(789,611)	**0.00**	**0.00**
Technology Cost Savings				
CS02	Information Technology Reorganization	(6,922)	0.00	0.00
Program Changes				
PC01	Marine District Finance Staffing	144,312	1.00	0.00
PC02	Ferry District Strategic Plan	125,000	0.00	0.00
PC03	Marketing Program	378,161	1.00	0.00
PC04	2012-2013 Marine CIP	15,571,279	0.00	0.00
PC05	Vessel Acquisition Project Manager	0	0.00	1.00
		16,218,752	**2.00**	**1.00**
Central Rate Changes				
CR01	Flexible Benefits	(13,409)	0.00	0.00
CR05	General Fund Overhead Adjustment	40,470	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	5,736	0.00	0.00
CR08	Technology Services Infrastructure Charge	13,048	0.00	0.00
CR10	KCIT Operations Charge/Rebate	59	0.00	0.00
CR12	Telecommunications Overhead	(515)	0.00	0.00
CR13	Motor Pool Rate Adjustment	1,316	0.00	0.00
CR18	Radio Direct Charges	7,154	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(24,969)	0.00	0.00
CR22	Long Term Leases	(2,259)	0.00	0.00
CR25	Financial Service Charges	164,748	0.00	0.00
CR26	Retirement Rate Adjustment	4,291	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(1,686)	0.00	0.00
CR28	Equipment Repair and Replacement	486	0.00	0.00
CR36	Property Services Lease Administration Fee	365	0.00	0.00
CR37	Facilities Management Strategic Initiative	617	0.00	0.00
CR38	Major Maintenance Repair Fund	1,622	0.00	0.00
CR46	KCIT Technology Projects	5,386	0.00	0.00
CR48	Business Resource Center	15,046	0.00	0.00
CR50	IT Re-Organizational Transfer	9,127	0.00	0.00
		226,633	**0.00**	**0.00**
Technical Adjustments				
TA02	Cost Adjustments	840,153	0.00	0.00
TA39	COLA Adjustment	66,443	0.00	0.00
		906,596	**0.00**	**0.00**
	2012/2013 Biennium Budget	**28,002,082**	**21.96**	**2.00**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Marine Division

PROGRAM HIGHLIGHTS

The 2012 / 2013 Proposed Budget for the Marine Division is $28,002,082 and 21.96 FTEs and 2.0 TLTs. The budget changes described below reflect two-year increments unless otherwise noted.

Adjustments to the 2011 Adopted Budget

Service Levels Adjusted for 2012 Costs ($12,766,013). Adjustments to the 2010 / 2011 Adopted Biennial Budget were made to incorporate inflation in labor and other select operating costs, to incorporate mid-biennial review supplemental changes, and to remove the 2010 portion of the budget to create a baseline for the 2012 budget. In addition, the unspent capital budget was removed, which is budgeted in the operating fund for the Marine Division. All of the adjustments result in a net decrease of ($12,702,427) from the 2010/2011 Adopted Biennial Budget. Revenues were adjusted by the same amount.

2013 Base Budget - $5,785,178 Expenditure/ $5,785,178 Revenue. This change item inflates the 2012 base budget to generate the 2013 base for the 2012/2013 biennial budget.

Efficiency Reductions

Washington State Ferries Contract Efficiencies – ($410,019). The Marine Division negotiated a new lease agreement for Pier 50, resulting in lower lease payments and saving $410,019 in lease payments and operational efficiencies over the 2012-2013 biennium.

Scheduling Efficiencies- ($379,252). In 2011, the Marine Division implemented staffing and operating efficiencies through more efficient scheduling, better management of temporary services, reduced use of overtime, and reduced operating expenses, with no reduction in service. This increment captures the ongoing savings through 2012-2013 biennium.

Technology Cost Savings

Information Technology Reorganization - ($6,922). Salary, benefits and technology resources are transferred from HRD to the Information Technology (IT) Services fund to consolidate Executive branch IT budgets into one fund with oversight and management by the Chief Information Officer. The Marine Division will pay for IT services via central rate CR50, which offsets the transfer.

Program Changes

Marine Division Finance Staffing – $144,312 / 1.0 FTE. This request converts a TLT Budget Finance Officer I to an FTE to address the ongoing financial accounting, budgeting and reporting workload as well as to respond to audits and meet capital and grant reporting requirements. This request also adds a TLT Fiscal Specialist II to manage accounts payable and to develop an inventory tracking system, maintain procurement procedures in the finance system and manage Ferry District invoice files.

Ferry District Strategic Plan - $125,000. This request adds funding to hire a consultant to develop a strategic plan of the Division to address issues such as long-term sustainable funding, timing and location of expansion routes, levels of service, governance and operating structure, as well as identify opportunities for regional efficiencies and synergies.

Marketing Program - $378,161 / 1.0 FTE. This request provides funding and a 1.0 FTE Marketing and Sales Specialist II to allow the Marine Division to assume a leadership role and responsibility for ferry service marketing efforts, as well as advertising and advertising revenue generation using Ferry District policy directives as its guide.

2012-2013 Marine CIP - $15,571,279. This provides budget authority for the Marine Division's capital program. The majority of this budget is for the acquisition of two high speed passenger only ferries and improvements to the division's moorage and maintenance facility. The Marine Division's capital program is described in greater detail in the capital section.

Vessel Acquisition Project Manager - $0, 1.0 TLT. The Marine Division is seeking a TLT Project Manager with the experience and skills necessary to develop the vessel performance specifications in conjunction with the ITB/RFP and to provide necessary project management for the construction and delivery of two high speed passenger only ferries for the Ferry District. The position will be funded out of the Vessel Acquisition capital projects.

Central Rate Adjustments

Central Rate Adjustments – $226,633. This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, and results in a $226,663 increase in charges to the Marine division for 2012. 2013 central rate and COLA adjustments are included in SQ13 change item. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

Technical Adjustments

Net-zero Technical Adjustments - $0. These adjustments align the Marine Division's budget with its new organization structure, implemented in 2011.

Cost Adjustments - $840,153. These adjustments align budgeted costs of diesel fuel, insurance, laundry services, memberships and consulting with actual costs based on operating experience. The division's insurance costs rose as a result of the vessel collision in 2010 and the Ferry District's decision to increase the liability limits from $50 to $150. Fuel costs have increased significantly and the division's use of fuel also increased when the division increased West Seattle commuter service by 30 percent.

COLA - $66,343. The Cost of Living Adjustment (COLA) is calculated at 1.63 percent from 2011 Adopted for 2012 and 2.36 percent for 2013.

2012 Proposed Financial Plan
King County Marine Operations Fund/Marine Division 1590/1460M

	2010 Actual[1]	2011 Adopted	2011 Estimated[2]	2012 Proposed	2013 Proposed	2014 Projected[3]	2015 Projected[3]
Beginning Fund Balance	-	-	0	-	-	-	-
Revenues							
Levy Proceeds from Ferry District [7]	4,163,995	15,058,052	5,777,284	6,214,768	6,216,035	6,352,788	6,500,172
Levy Proceeds for Capital Projects	2,477,300	-	9,230,848	8,365,918	7,205,360	500,000	750,000
Total Revenues	**6,641,295**	**15,058,052**	**15,008,132**	**14,580,686**	**13,421,395**	**6,852,788**	**7,250,172**
Total Biennial Revenues					**28,002,081**		**14,102,960**
Expenditures						(6,352,788)	(6,500,172)
Management & Support	(4,163,995)	(1,368,878)	(1,368,878)	(1,720,664)	(1,457,710)		
Vashon			-				
West Seattle							
Shoreside Operations		(1,486,798)	(1,486,798)	(1,368,616)	(1,485,268)		
Vessel Operations & Maintenance		(2,971,527)	(2,971,527)	(3,125,488)	(3,273,057)		
Capital Expenditures [5]	(2,477,300)	(9,230,848)	(9,230,848)	(8,365,918)	(7,205,360)	(500,000)	(750,000)
Q3 Omnibus [8]			49,919				
Total Expenditures	(6,641,295)	**(15,058,052)**	**(15,008,133)**	**(14,580,686)**	**(13,421,395)**	**(6,852,788)**	**(7,250,172)**
Total Biennial Expenditures					**(28,002,081)**		**(14,102,960)**
Estimated Underexpenditures				-	-	-	-
Other Fund Transactions							
		-	-				
Total Other Fund Transations	-	-	-				
Total Biennial Other Fund Transactions					**-**		**-**
Ending Fund Balance	0	0		-	-	-	-
Reserves & Designations							
ABT Debt Service [9]		-	-		(35,300)	(35,300)	(35,300)
Ferry District Reimbursement for ABT Debt Service		-	-		35,300	35,300	35,300
Unspent 2010 portion of biennial budget [6]			(11,786,174)				
Anticipated Levy Revenue for 2010 Carryover [6]		-	11,786,174				
Total Reserves & Designations	-	-	-	-	-	-	-
Ending Undesignated Fund Balance	0	0	-	-	-	-	-
Target Fund Balance [4]	-	-	-	-	-	-	-

Financial Plan Notes:

1 2010 Actuals are taken from the 2010 CAFR or 14th Month ARMS/IBIS.

2 2011 Estimated is based on the 2011 Adopted portion and the unspent 2010 portions of the 2010-2011 Biennial Budget. The 2011 budget adopted by two ordinances: 16932, the first 2010 omnibus supplemental, and 17000, the 2010-2011 midbiennial supplemental

3 2013, 2014 and 2015 Projected are based on Office of Economic and Financial Analysis estimated Seattle Consumer Price index.

4 Target fund balance is zero. This fund is 100% reimburseable per Interlocal Agreement between the Ferry District and the Marine Division.

5 The 2011 capital and operating budgets were adopted by two ordinances: 16932, the 1st 2010 omnibus, and 17000, the midbiennial supplemental

6 Unspent 2010 operating and capital budget authority automatically carries over to 2011 because Marine Division's budget is biennial.

7 2011 Revenues include Ferry District Levy and Federal Grants.

8 The 2011 Q3 supplemental ordinance requests disappropriated expenditure authority to account for actualized benefits/PERS savings.

9 This charge represents estimated debt service for the Accountable Business Transformation (ABT) Program which begins in 2013 and runs for ten years.

Marine Division Capital Budget

The King County Marine Division (KCMD) Capital Program provides for the planning and acquisition of necessary infrastructure to deliver safe, reliable and efficient passenger-only ferry service in King County. It accomplishes this by preserving existing passenger terminals, leasing vessels, providing vessel moorage and maintenance facilities, and planning, designing and building new ferry vessels. This infrastructure gives the Ferry District the physical capability to deliver passenger-only ferry services to its customers. The King County Department of Transportation has secured significant grant funds for the Ferry District to support the construction and acquisition of the capital improvements program.

The shoreside or terminal capital program began in 2008 with initial planning, environmental documentation, permitting and design activities for terminal repairs and improvements at Vashon, Seattle and West Seattle. This work was initiated in 2009 with work continuing in 2010 on improvements at all three terminals. The terminal improvement capital program was reduced considerably in 2011, taking a much more measured approach to terminal improvements than previously envisioned, with the goal of extending the life of the Ferry District fund balance reserve. The 2012 / 2013 KCMD budget request incorporates support for the capital terminal improvement program to allow the timely and appropriate expenditure of the existing federal grants and matching Ferry District funds. This CIP includes funding for infrastructure necessary to support the safe, secure, efficient, and customer-friendly movement of passengers riding the King County Water Taxi.

Work began in 2008 to identify the most cost effective vessel or vessels that would meet the operational needs of the Ferry District into the future. In 2009, the Marine Division began leasing passenger-only vessels for use on the Vashon and West Seattle routes. In response to the economic downturn, the King County Ferry District decided to take a measured approach to the new vessel capital acquisition program in 2010. An expert panel was convened in early 2011 to recommend an approach to acquiring the most efficient, cost effective, and environmentally sound vessels. For 2012, the Division plans to focus its efforts on the design and procurement of two new vessels; one for each existing operating route.

The Division is also in the process of acquiring an interim moorage and maintenance facility and developing a long term moorage and maintenance plan.

2012 / 2013 Significant Project Highlights

The 2012 / 2013 Capital Improvement Program focuses on leasing vessels on an interim basis, designing and acquiring two new vessels, repairing, preserving, and improving terminal facilities, and acquiring a moorage and maintenance facility. The following table provides a summary display of the Marine Division capital projects with their associated 2012 / 2013 funding requests.

Marine Division Capital Improvement Projects	2012	2013	Total 2012-2013 Executive Proposed Budget
Vessel Leases	$ 1,029,070	$ 637,255	$ 1,666,325
Vessel Acquisition 1	$ 3,381,418	$ 2,000,000	$ 5,381,418
Vessel Acquisition 2	$ 1,000,000	$ 4,568,106	$ 5,568,106
Vessel Preservation Contingency	$ -	$ -	$ -
Interim Moorage/Maintenance Facility	$ 1,574,026	$ -	$ 1,574,026
Seattle (Interim)	$ 375,570	$ -	$ 375,570
Vashon Terminal (Interim)	$ 239,711	$ -	$ 239,711
Seacrest Interim	$ 766,123	$ -	$ 766,123
Total	**$ 8,365,918**	**$ 7,205,361**	**$ 15,571,279**

Vessel Leases - $1,666,325

This project provides for leasing vessels on an interim basis for the Vashon Island/Downtown Seattle (Vashon) and West Seattle/Downtown Seattle (West Seattle) routes until passenger-only ferries are constructed and delivered to the Ferry District. The scope of the project has not changed. However, the schedule is expected to be extended because there has been a delay in procuring new vessels. An extension of the existing lease agreements will necessitate additional budget for monthly lease and engine rundown fees for each month added to the lease agreements. The lease expiring on 3/31/2012 is estimated to be extended twelve months to 3/31/2013. The second lease expiring on 12/31/2012 is estimated to be extended twelve months to 12/31/2013.

Vessel Acquisition 1- $5,381,418
Vessel Acquisition 2 - $5,568,106

This project will fund the planning, development, design and construction of two passenger-only ferries to service existing King County Water Taxi passenger-only ferry routes. An Expert Review Panel (ERP) was convened in 2011 and the panel delivered its final report, which provided pertinent vessel construction insights and recommendations for Ferry District consideration. The ERP report will be used as a springboard for the development of owner vessel performance specifications. In turn, these specifications will be the basis for the development of a design/build request for proposals (RFP) for the design and construction of new vessels. The issuance of design/build RFPs is planned for early 2012 with an anticipated award date for both vessel build contracts before the end of the first quarter of 2012. Funding will be provided by the King County Ferry District and includes significant Federal grant funds.

Interim Moorage/Maintenance Facility $1,574,026.

A moorage and maintenance facility is required for King County passenger ferries to moor up to three vessels and appropriately maintain the vessels providing ferry service. This project includes designing and purchasing a new maintenance barge, location and improvement of shoreside facilities for the barge and to accommodate operational functions and lease agreement for the facility. The new barge will be outfitted with workshop facilities containing tools and equipment for maintenance of the vessels. Shoreside facilities would include; a) water, sewer, power, and telecommunication connections, b) accessibility for deliveries, c) storage of large parts and supplies, d) close proximity to the passenger terminal located at pier 50 in downtown Seattle. Several locations are under review that would allow the King County Marine Division both short term moorage and long term options for both the maintenance barge and vessels. The long range plan of the King County Ferry District includes additional routes that would amplify the need for an adequate moorage and maintenance facility. If planning is coordinated with other passenger-only ferry service providers, the moorage and maintenance facility could serve as a regional maintenance facility to those services. Barge and barge facility designs are final, endangered species consultation is complete, all permits but one have been obtained, and the barge contract was advertised in June 2011. The bids were opened in August, but bids were either non-responsive or too high. As a consequence, the barge will be re-bid in late September, with the goal of having a contract in place by late October. The design and permitting of the in-water mooring piles and upland improvements is proceeding with the goal of completing the work during the 2011-12 winter months.

Seattle (Interim) - $375,570

The Vashon Island/downtown Seattle route and the West Seattle/downtown Seattle route of the King County Water Taxi both terminate at Pier 50 - the downtown Seattle passenger-only ferry terminal and water taxi hub. This project directly supports King County passenger-only service by performing planning efforts associated with improvements that will enhance customer service, safety and fare collections at Pier 50, such as: modifying the existing tent structure, making it more comfortable for waiting passengers, installing a small portable building to house on-site customer service/marine information agents, repairing the timber pedestrian walkway, installing electronic customer communications equipment and signage and fare collection equipment and installing additional security equipment. Furthermore, as a result of Washington State Ferries ongoing and accelerating planning efforts at the Pier 50 site, this project will study alternative locations for permanent downtown Seattle passenger-only terminal location. As a result of uncertainty of operations, the status as a tenant at the Pier 50 facility, and the nature of the federal grant money dedicated to terminal projects, this project has been reduced to essentially to those planning efforts necessary to responsibly evaluate the potential terminal enhancements and permanent location study, using the existing federal grant funding.

Vashon Terminal (Interim) - $239,711

The King County Water Taxi, Vashon Island to downtown Seattle route docks at the Vashon Ferry Terminal, which is owned by Washington State Ferries (WSF). As the exclusive tenant at this location, the King County Ferry District wants to explore making improvements to the operating terminal and enhancing the customer's experience by making capital improvements aimed at safety, customer comfort and operating efficiency. This project directly supports King County passenger-only service by performing planning efforts associated with improvements that will enhance customer service, safety and fare collections at the Vashon Island passenger-only ferry terminal, including items such as: installing electronic customer communications equipment and signage and fare collection equipment and installing additional security equipment. As a result of uncertainty of operations, the status as a tenant at the Vashon Island facility, and the nature of the federal grant money dedicated to terminal projects, this project has been reduced to essentially the planning and design efforts necessary to responsibly evaluate the potential terminal enhancements, using the existing federal grant funding.

Seacrest Interim - $766,123

The Marine Division has negotiated an agreement between the City of Seattle and the King County Ferry District for the use of Seacrest Park as the West Seattle terminus of the West Seattle/ Downtown Seattle route of the King County Water Taxi until such time as a permanent facility is selected. To provide a viable alternative for commuters, the West Seattle route was expanded from seasonal service to year-round service in 2010. This capital project will completed work necessary to winterize the dock and improve passenger access at Seacrest Park. This project directly supports King County passenger-only service by performing planning efforts associated with improvements that will enhance customer service, safety and fare collections at Seacrest Park in West Seattle, including: more comfortable passenger waiting areas, installing electronic customer communications equipment and signage and fare collection equipment and installing additional security equipment. The purpose of this project is to explore these alternatives and perform initial planning and design work. Upland improvements will reduce the impact of year-round water taxi service on other users of Seacrest Park. Improvements may include: modifications to the parking lot and shuttle boarding area, amenities for scuba divers and fishermen and landscaping. Furthermore, this site has always been considered an interim location. Accordingly, this project will study alternative locations for permanent West Seattle passenger-only terminal location. The expectation for 2012 is to complete the siting study started in 2011.

ROAD SERVICES DIVISION

Mission:

Road Services Division

Maintain, preserve, and improve the unincorporated King County road and bridge system for the safe and efficient movement of people, goods, and services, and quickly respond to storms, floods, and other emergencies.

OVERVIEW

The King County Road Services Division (RSD) maintains, preserves, and operates roads, bridges and related infrastructure in unincorporated King County. The county's many bridges are an integral part of the road system, as are other components such as sidewalks and pathways, bike lanes, guardrails, drainage and water quality facilities, traffic control equipment, and traffic cameras.

The unincorporated-area road system owned and managed by RSD includes the following inventory:

- 1,483 miles of paved roads and 51 miles of unpaved roads
- 181 bridges, including several that are jointly owned with cities
- 39,000 traffic control signs and 102 traffic signals
- 110 miles of protective guardrail
- 72 traffic cameras

The unincorporated King County road system is critically important to people who live and travel in the county. As is the case across much of the country, it is aged and deteriorating. Substantial investments are needed to restore roads and bridges, maintain them in good condition, and meet new transportation demands and regulatory requirements. RSD is primarily funded through the unincorporated area property tax levy and an allocation of the state-wide gas tax.

Structural Funding Gap

In recent years, the division has developed a significant structural funding gap. The unincorporated area property tax levy is limited to one percent growth each year plus new construction until a maximum rate of $2.25 per $1,000 assessed valuation is reached. Due to continuing economic weakness, assessed valuations have experienced steep declines, resulting in a significant drop in property tax revenues available to RSD. New construction valuation is also down, which further exacerbates the fund's financial challenges. Gas taxes have also declined due to gas prices, economic pressures, and reduced unincorporated area road miles. Revenue growth has not kept pace with rising operating costs. In addition, annexations have led to a loss of revenue but not a commensurate reduction in costs. RSD's available funding falls short of existing needs by $20 million to $30 million per year, despite efforts in recent years to gain further efficiencies, streamline the division's organizational structure, adjust business practices, and achieve countywide labor savings.

The division's main revenue sources are not sufficient to maintain current operations and service levels, and RSD has identified a growing backlog of infrastructure preservation needs. Winter storms have grown in frequency and severity resulting in increased expenditures on emergency response and storm repair costs. Because deferred maintenance over time results in more costly major maintenance in future years, the funding gap makes it difficult to pursue optimal lifecycle management strategies for County roads.

Strategic Plan for Road Services (SPRS)

In 2010, the division completed the Strategic Plan for Road Services (SPRS), which sets clear priorities to guide the division as it manages the road system. The plan gives top priority to basic goals: complying with regulatory requirements, meeting core safety needs, and preserving the existing road network. The plan also acknowledges the goals of enhancing mobility and increasing capacity to support urban growth, but notes that current resource constraints provide no funding for such activities. The SPRS covers the years 2011 through 2015. This will be a time of transition for the county's road system, as cities are expected to complete annexations of urban growth areas now served by RSD.

King County Council Motion 13393 required RSD to develop an implementation plan to deliver its programs and services within the policy framework of SPRS and within currently forecast revenue. SPRS implementation work, facilitated by meetings of an interbranch workgroup, has included the following, which have in turn informed the development of the 2012 / 2013 Proposed Budget:

- Development of a tiered/risk management-based approach to resource allocation among programs and services
- Development of revised RSD organizational structure, designed to produce additional efficiencies and support a scalable, post-annexation agency
- Development of new financial policies

Tiered and Risk Management-Based Approach to Resource Allocation

As noted above, the division's main revenue sources are not sufficient to maintain current operations and service levels. The SPRS implementation plan creates a policy framework to guide future investment decisions through a tiered and risk management-based approach to resource allocation. The tiered system, combined with a risk management approach, will focus resources on providing the most functionally effective road network possible given limited resources. This will be accomplished by first meeting regulatory requirements and core safety needs throughout the road network, and then by allocating remaining resources to maintain and preserve the most vital components of the road network. Using a system of five tiers, RSD has assigned each road segment to a service level tier using criteria such as traffic volume, projected length of detours or whether the road is considered sole-access, a lifeline route or important in maintaining transit mobility. The tiered service levels are as follows:

- **Tier 1** (7% of County roads and 50% of daily trips in the system) – The spine of the county road system, with heavily traveled arterials connecting large communities, major services, and critical infrastructure. Tier 1 roads should provide consistently reliable access and receive the highest level of storm response, including the first roads to receive snow and ice removal. Users of Tier 1 roads should expect good road and bridge conditions and well-maintained drainage. These roads will receive the highest level of maintenance and preservation.

- **Tier 2** (11% of County roads and 20% of daily trips in the system) – Heavily traveled roads serving less populated areas and that provide alternate routes to Tier 1 roads. Tier 2 roads should provide generally reliable access; however, users of Tier 2 roads can expect to see a lower level of storm response and snow removal. These roads will receive maintenance to keep them in good condition, with preservation efforts to be reactive and prioritized based on the level of risk and availability of funding.

- **Tier 3** (15% of County roads and 15% of daily trips in the system) – Highly used local roads that serve local communities and large residential areas. Tier 3 roads should provide somewhat reliable access with little to no storm and snow response, especially during significant storms. Maintenance and preservation are provided to slow deterioration, but users of Tier 3 roads should expect to see wear-and-tear to roadways, possible load limits, lower posted speed limits, and long-term partial closures.

- **Tier 4** (32% of County roads and 5% of daily trips in the system) – Local residential dead-end roads that have no other outlet. Tier 4 roads will provide less reliable access with virtually no storm and snow response. Maintenance is limited to work that preserves access. Users of Tier 4 roadways may see a number of one-lane roads, with some downgraded to a gravel surface, depending on the level of deterioration and availability of funding.

- **Tier 5** (35% of County roads and 10% of daily trips in the system) – Local roads that have alternate routes available for travel in case of road closures. Tier 5 roads will provide the least reliable access with virtually no storm or snow response. Limited maintenance will lead to more road deterioration. Due to poor conditions, users of Tier 5 roads can expect to see some closures, which may result in longer detours and difficulty accessing property. These roads may be downgraded to a gravel surface, restricted to one lane, and have load limits and lower speed limits.

The tiered service level model will guide and direct maintenance and preservation operational resourcing and capital improvement investments under conditions of both expanding and diminishing funding. It will provide policy direction for long-term investment in the road network as well as day-to-day maintenance and traffic management operational decisions. These variable levels of services will be transparent, objective, measurable, and consistent with SPRS priorities.

Road Services Division Reorganization Efforts to Date

In 2012, the Road Services Division will implement a number of organizational changes designed to achieve the following operational goals:

- consolidate and improve engineering oversight
- expand and improve coordination of risk management
- improve road system performance reporting
- establish a division-wide asset management coordination work unit

The reorganizations seek to achieve operational efficiencies by consolidating work units and eliminating work tasks or functions that are currently being accomplished by others. The reorganizations support the position reductions proposed in the 2012 budget, provide for the allocation of available resource to high priority tasks, and enable the improved provision of programs and services. Lastly, the reorganizations also seek to appropriate capital and operating expenditures consistent with capitalization policies.

Because of the timing of ABT implementation, the organizational changes involving net-zero position transfers will not be incorporated into the budget until the second quarter of 2012. Reorganization-related position reductions and the changes associated with capitalization policies are included in the Executive Proposed 2012 / 2013 biennial budget.

Consolidate Engineering, Oversight, and Work Units

Under the proposed Road Services Division organizational structure, engineering functions, including those from the Traffic Engineering Section and the Road Maintenance Section, will all be consolidated in the Engineering Services Section. The Road Maintenance Section will be renamed the Maintenance and Operations Section and, along with the newly-consolidated Traffic and Engineering Services Section, will report to the County Road

Engineer. The statutory roles of the Traffic Engineer will continue as required and be combined either with the duties of the Traffic/Engineering Services section manager or the County Road Engineer. Consolidation of engineering functions under the County Road Engineer will result in increased engineering accountability and more consistent application of engineering methods and standards, which should result in improvement in the prioritization and delivery of engineering projects, programs, and services. Such improvements should also help reduce the division's risk exposure. This new structure complies with the duties of the County Engineer as defined by state laws, whereas the previous organizational structure was allowed as an exception.

The proposed reorganizations also include significant transfers and consolidation of various RSD work units. These transfers/consolidations support the staffing reductions contained in the Proposed Budget and will ideally lead to additional staffing efficiencies and reductions when fully implemented. They include:

- Consolidation of environmental activities into one unit in Maintenance and Operations;
- Transfer of the Traffic operations groups in the Maintenance and Operations Section;
- Elimination of the Construction Engineering unit, with redundant functions being terminated and the remaining workgroups being absorbed by other complementary units;
- Consolidation of Maintenance, Drainage, and Pavement Engineering into one unit in Engineering Services; and
- Improvement of Administrative Unit oversight by repurposing a Traffic Engineering section manger position to a Deputy Director position to support the Division Director and to oversee the operations of Finance, Budget and Technology Management, HR/Payroll, and the Office of Strategic Asset Management, Monitoring, and Reporting, which is to be renamed the Strategic Planning, Programming and Reporting Office.

Improve Performance Reporting and Asset Management

In March 2010, the Executive issued executive orders regarding (1) the development of consistent and comprehensive standards for capital project budgeting, reporting, management, and performance measurement and (2) reform of the capital project procurement process and oversight. In response to these orders, the RSD will establish a CIP/Project Control and Office of Strategic Planning, Programming, and Reporting. This group will work to make improvements in asset management and performance measurement, which will allow RSD to make strategic decisions concerning the allocation of resources through cost/benefit analyst, least cost life cycle analysis, and risk analysis. The group will also implement procurement reform and conduct project management and reporting tasks. Three positions eliminated as part of the reorganizations described above will be repurposed to staff this group, along with existing staff in the section.

Expand and Coordinate Risk Management

As detailed above, RSD will establish a hierarchy of roadways, which, combined with a risk management approach, will focus resource allocation on the preservation and maintenance of the most vital components of the existing roadway network. Within this framework, RSD will expand the use of risk management, claims analysis, and tort liability for planning, engineering, and implementation of programs and services. To support this function, the former Traffic Engineering Section will be reorganized to focus resources on collection and analysis of division-wide risk and claims data under direction of the County Road Engineer.

Appropriate Capital and Operating Expenditures

The Capital Project Management Working Group (CPMWG) identified policy direction county-wide regarding the proper budgeting of work. As a result, beginning in 2012, the budgets associated with overlay preparation, chip seal preparation, and drainage preservation projects will be moved from the Road Maintenance section to the CIP budget. Conversely, the CIP budget associated with the mitigation monitoring program will be moved from the CIP budget to the Engineering Services Section budget.

Support Continuous Improvement

The proposed reorganizations discussed above enable position reductions and allow for repurposing of staff to the highest priorities. As such, these reorganizations are important tools to balancing the division's budget in the near term while also aligning resource use with priorities outlined in the SPRS and included in the tiered, risk management-based resource allocation model. To contain costs over the next several years as the structural funding gap grows in response to annexations and inflation, RSD will work with Executive Office staff to continue to identify additional administrative, management, and direct service reductions and efficiencies, while continuing to best meet road services priorities and balance the financial plan.

New Financial Policies

The SPRS implementation interbranch working group completed a review of numerous financial policies and practices with the primary goal of improving responsible financial stewardship for RSD and aligning the policies and practices with KCSP goals: (1) to establish policies regarding the use and long-term health of financial reserves, (2) to manage assets and capital investments in a way that maximizes productivity and value, (3) to develop and implement a financial plan that reflects services levels desired by the public and (4) to coordinate and provide direct response to crises. Highlights include the following changes to operating, capital, and integrated policies:

- The RSD operating fund will establish and maintain a revenue shortfall/non-reimbursable storm reserve. The amount of this reserve will be determined based on Road Services revenue variability and predictability, the ability to identify and mitigate revenue shortfalls, and historic spending on non-reimbursable storm work compared to appropriated storm costs.

- The Road Services operating fund will establish an undesignated fund balance to provide prudent working capital. A prudent level for the undesignated fund balance will be established based on both industry best practices and cash flow trends in the operating fund.

- Following the annexation or incorporation of 90 percent of the remaining potential annexation areas, the Road Services revenue contribution to the Road CIP fund will be considered a stable revenue source suitable for a 1.25 debt service coverage ratio.

- The RSD will prepare a 20-year plan to identify and prioritize needed facility infrastructure improvements at Roads-owned facilities.

- Except for projects for which a postponement is not advisable (e.g., safety, life-cycle inefficiency), the capital budget will not include design or construction budget for projects in potential annexation areas.

- Interfund borrowing requests will be made in the first quarter of a year if anticipated negative balances are forecast to be more than $5 million at any time during the year.

- Receipt of Bond Anticipation Notes or Permanent Bond financing will be scheduled to prevent project expenditures in excess of $1 million prior to debt issuance for projects planned for debt financing.

- Property sale revenues projected to be received in the upcoming biennium and corresponding expenditures will not be included as projected revenues/expenditures until the following biennium. The projected one-time revenue will be allocated to one-time costs, such as the generation or replenishment of reserves or fund balance.

Given Roads' current financial situation, the reserve and undesignated fund balance noted above may take several years to establish, but RSD will plan to have these funds in place by the end of the 2015-2016 biennium. The reserves and undesignated fund balance will be generated from one-time revenues or savings, such as property sales.

Alignment with KCSP Policies

RSD road maintenance and preservation activities directly support the Economic Growth and Built Environment objectives to "meet the growing need for transportation services and facilities throughout the county" and to "support a strong, diverse, and sustainable economy." Specifically, Road Services contributes to strategies that focus transportation resources to support density and growth (EGBE 2.a.), to meet the transportation needs of low-income and other under-served populations (EGBE 2.c), and to maintain infrastructure that facilitates the efficient movement of freight and goods to promote trade across the region. In addition, RSD storm response work support Justice and Safety, specifically the strategies to maintain safe and secure county-owned infrastructure, including roads and bridges (JS1.b), provide rapid emergency response (JS1.d), and provide direct response to crises such as floods and severe weather events (JS4.b).

The SPRS goals are consistent with KCSP goals, including both "what" and "how" goals. The "what we deliver" goals of the SPRS are (in rank order):

- Meet regulatory requirements and standards
- Meet core safety needs
- Preserve the existing roadway facilities network
- Enhance mobility by facilitating more efficient use of the existing road system
- Address roadway capacity when necessary to support growth targets in the urban area.

RSD "how we deliver" goals are:

- Exercise responsible financial stewardship
- Provide responsive customer service and public engagement
- Enhance the use of risk assessment in decision making
- Promote workforce excellence during a time of significant transition.

Over the upcoming biennium, RSD will work to advance the goals outlined in the SPRS through the implementation of the tiered/risk management-based resource allocation framework, division reorganization, and financial policies.

Executive Priorities as considered in 2012 Business Planning and Budget Development

- ***Equity and Social Justice:*** Transportation is one of the 14 determinants of equity identified in the King County Equity and Social Justice (ESJ) Ordinance, and RSD clearly has a major role to play in ensuring that residents of King County are able to access transportation services. Transportation services are also essential to providing access to many of the other determinants of equity specified in the ordinance. For example, safe, reliable, efficient transportation services and facilities are absolutely needed in order for people to access jobs and job training, early childhood development services, high-quality education, affordable and healthy food, parks and natural resources, and various health and human services.

  Road Services' approach to integrating ESJ issues into agency business operations and budgeting includes the following components:

  - Proactively provide road-related capital improvements that serve the needs of communities whose residents are low-income, racially/ethnically diverse, or have limited English proficiency.
  - Prioritize emergency storm response (such as snow and ice removal) along transit routes, since these may be the only source of transportation available to lower-income residents.
  - Evaluate division projects and programs using census data and other relevant demographic and community data and include ESJ analysis in the proposed tiered service level framework.
  - Promote equal access to, and availability of, information and services for all county residents by designing communications and public engagement processes that are culturally relevant.
  - Utilize partnerships with other King County or external agencies, community groups, and non-profit organizations to better understand community needs and obtain community input.

  One particularly high-profile example of capital projects serving disadvantaged communities is the South Park Bridge replacement, which is under construction. This $160-million bridge project is the largest capital investment in the division's history. The bridge serves residents from one of the region's most disadvantaged and ethnically diverse neighborhoods. Construction of the new South Park Bridge has been made possible through a successful partnership between King County, multiple other federal, state, and local agencies and jurisdictions, and the South Park community. Two keys to this partnership were the RSD application of the county's translation policy to communications with the community and the RSD view of the community as a partner.

  Another capital project directly serving a disadvantaged community is the recently-completed Southwest 98th Street pedestrian improvements that link the King County Housing Authority's Greenbridge housing development with the White Center central business district. Road Services has also secured Community Development Block Grant funding for two new sidewalk projects, one along 17th Avenue Southwest in White Center and the other along Renton Avenue South in the Skyway neighborhood. Both neighborhoods meet U.S. Department of Housing and Urban Development census tract criteria for low income and have racially/ethnically diverse populations.

- ***3 Percent Efficiencies:*** The majority of the RSD efficiencies in the 2012 / 2013 biennial budget relate to organizational changes, which are described in detail above. The reorganizations support approximately 40 FTE reductions taken in 2011 and implemented in the 2012 budget and additional FTE reductions in 2012. Some of the reductions are direct service reductions, but significant portions of the reductions relate to efficiencies made possible by the reorganization efforts. In addition, the division experienced significant cost efficiencies associated with the benefit and retirement savings. Combined, these efficiencies resulted in a cost savings of approximately $2.6 million in 2012.

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	179,386,288	588.55	9.75
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(94,979,854)	(46.90)	(2.20)
SQ13	2013 Base budget - $108,282,362 Revenue	88,968,693	0.00	0.00
		(6,011,161)	**(46.90)**	**(2.20)**
Direct Service Changes				
DS01	Maintenance 2011 Mid-Year Reductions	(418,272)	(1.50)	0.00
DS02	Engineering Services 2011 Mid-Year Reductions	(1,408,900)	(11.50)	0.00
DS03	Traffic Engineering 2011 Mid-Year Reductions	(1,101,025)	(5.50)	0.00
DS04	Maintenance Service Level/Performance Standards Review Adjustments	1,937,579	(3.00)	0.00
DS05	Maintenance Chip Seal Prep Service Level Decrease	(358,555)	(2.00)	0.00
DS06	Maintenance City Contract Reduction	(1,086,207)	(6.00)	0.00
DS07	Maintenance Section Reduction in Loan Out Labor to Water and Land Resources	0	(5.00)	0.00
DS08	Maintenance CIP Loan Out Workload Position Adjustments	0	(2.00)	0.00
DS09	Maintenance Reimbursable Workload Adjustments to Other Miscellaneous Clients	0	(3.00)	0.00
DS11	Maintenance Section Drainage Design Unit Loan Out to CIP	(1,094,022)	0.00	0.00
DS12	Traffic Engineering City Workload Reduction	(623,374)	(1.90)	0.00
DS13	Reimbursable (Org 1668) Projects Reduction	(2,741,862)	0.00	0.00
DS14	Maintenance and Engineering Services TLT Reductions	(574,036)	0.00	(1.75)
		(7,468,674)	**(41.40)**	**(1.75)**
Administrative Service Changes				
AS01	2011 Mid-Year Administrative/Management Reductions	(640,980)	(3.00)	0.00
AS02	Administrative/Management TLT Reductions	(549,587)	0.00	(2.35)
		(1,190,567)	**(3.00)**	**(2.35)**
Efficiency Reductions				
ER01	Administrative/Management Efficiencies	(1,024,550)	(5.00)	0.00
ER02	Maintenance Efficiencies	(418,799)	(1.50)	0.00
ER03	Engineering Services Efficiencies	(397,213)	(5.50)	0.00
ER04	Traffic Engineering Efficiencies	(943,046)	(3.50)	0.00
		(2,783,608)	**(15.50)**	**0.00**
Technology Cost Savings				
CS02	Information Technology Reorganization	(2,854,876)	0.00	0.00
CS05	Equipment Replacement Reduction	(155,384)	0.00	0.00
		(3,010,260)	**0.00**	**0.00**
Revenue Backed Changes				
RB01	Engineering Services City Reimbursable Work Adjustment	1,196,200	0.00	0.00
RB03	Auburn Green River/Fenster Levee Rehab (One-Time Contract)	300,146	2.00	0.00
RB10	High Risk Rural Road Safety Grant Program Adjustment	943,108	0.00	0.00
		2,439,454	**2.00**	**0.00**
Central Rate Changes				
CR01	Flexible Benefits	(261,982)	0.00	0.00
CR05	General Fund Overhead Adjustment	62,212	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	22,777	0.00	0.00
CR08	Technology Services Infrastructure Charge	91,131	0.00	0.00
CR09	Geographic Information Systems Charge	(77,681)	0.00	0.00
CR10	KCIT Operations Charge/Rebate	20,017	0.00	0.00
CR11	Telecommunications Services	(40,267)	0.00	0.00

Roads 1030/0730

Code/ Item#	Description	Expenditures	FTEs *	TLTs
CR12	Telecommunications Overhead	(18,354)	0.00	0.00
CR13	Motor Pool Rate Adjustment	(666)	0.00	0.00
CR14	Facilities Management Space Charge	26,857	0.00	0.00
CR15	Insurance Charges	88,541	0.00	0.00
CR16	Radio Access	(19,636)	0.00	0.00
CR17	Radio Maintenance	(156)	0.00	0.00
CR18	Radio Direct Charges	12,660	0.00	0.00
CR19	Radio Reserve Program	(1,024)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(525,103)	0.00	0.00
CR22	Long Term Leases	(56,725)	0.00	0.00
CR25	Financial Service Charges	(276,906)	0.00	0.00
CR26	Retirement Rate Adjustment	187,665	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(57,052)	0.00	0.00
CR28	Equipment Repair and Replacement	(91,926)	0.00	0.00
CR29	Wastewater Vehicles	(323)	0.00	0.00
CR36	Property Services Lease Administration Fee	(1,524)	0.00	0.00
CR37	Facilities Management Strategic Initiative	(2,588)	0.00	0.00
CR38	Major Maintenance Repair Fund	(5,051)	0.00	0.00
CR46	KCIT Technology Projects	125,648	0.00	0.00
CR48	Business Resource Center	540,966	0.00	0.00
CR50	IT Re-Organizational Transfer	1,388,886	0.00	0.00
		1,130,396	**0.00**	**0.00**
Technical Adjustments				
TA01	Maintenance Section Drainage Preservation Program Transfer to CIP	(6,054,604)	0.00	0.00
TA02	Maintenance Section Overlay Prep Budget Transfer to Roads CIP	(2,580,381)	0.00	0.00
TA03	Maintenance Section Chip Seal Budget Transfer to Roads CIP	(939,482)	0.00	0.00
TA04	Permit Integration Project Allocation	(2,836)	0.00	0.00
TA06	Transfer of Mitigation Monitoring Program from CIP to Operating Engineering Section	1,118,843	0.00	0.00
TA07	DOT Director's Office Allocation and Unicorporated Area Council Contribution	(74,957)	0.00	0.00
TA08	Miscellaneous Technical Adjustments - ($775,780) Revenue	261,887	0.00	0.00
TA09	Labor Distribution Adjustments	1,171,553	0.00	0.00
TA10	Revenue Adjustment - ($5,776,720) Revenue	0	0.00	0.00
TA39	COLA Adjustment	(124,553)	0.00	0.00
TA40	Merit Adjustment	(239,587)	0.00	0.00
		(7,464,117)	**0.00**	**0.00**
	2012/2013 Biennium Budget	**155,027,751**	**483.75**	**3.45**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Road Services Operating Budget

PROGRAM HIGHLIGHTS

The total 2012 / 2013 Proposed Budget for the Road Services Division is $155,027,751, with funding for 483.75 FTEs and 3.45 TLTs. This proposed budget amount represents a 13.6 percent decrease from the 2010 / 2011 Adopted Budget. The proposed budget includes various position and other reductions taken in mid-2011 in response to reimbursable, capital, and other workload reductions and fiscal conditions.

Adjustments to Adopted Budget

2011 Service Levels Adjusted for 2012 Costs – ($94,979,854) / (46.90) FTEs / 2.20 TLT. Adjustments to the 2010 / 2011 Adopted Biennial Budget were made to incorporate inflation in labor and other select operating costs, to incorporate mid-biennial review supplemental changes, and to remove the 2010 portion of the budget to create a baseline for the 2012 budget. All of the adjustments result in a net decrease of ($94,979,854) from the 2010 / 2011 Adopted Biennial Budget.

2013 Base Budget – $88,968,693 / $108,282,362 Revenue. This change inflates the 2012 base budget to generate the 2013 base for the 2012 / 2013 biennial budget.

Direct Service Changes

Maintenance 2011 Mid-Year Reductions – ($418,272) / (1.50) FTEs. This change item implements various Maintenance reductions that occurred in mid-2011 and are ongoing in 2012. This change includes a reduction in overtime budget, the elimination of partial FTEs associated with a Site Development Specialist position and two Engineer positions (one for the decant program coordination and one associated with drainage engineering), elimination of the security contract at the Renton facility, a reduction in the training budget, and a reduction in materials and supplies associated with the shuttered Brugger's Bog facility. These cuts are associated with revenue shortfalls and service levels will be adjusted.

Engineering Services 2011 Mid-Year Reductions – ($1,408,900) / (11.50) FTEs. This change item implements various Engineering Services reductions that occurred in mid-2011 and are ongoing in 2012. This change includes the elimination of various engineering positions and partial positions as well as a reduction in overtime budget and reductions to other miscellaneous O&M expenditure budgets such as those for road material supplies and other contracts/professional services, training, and machinery and equipment. The majority of the cuts are being taken in response to reduced CIP project workload.

Traffic Engineering 2011 Mid-Year Reductions – ($1,101,025) / (5.50) FTEs. This change item implements in the budget various Traffic Engineering reductions that occurred in mid-2011 and are ongoing in 2012. This change includes the elimination of various full and partial engineering, sign technician, and electrical inspector positions. The cuts are being taken in response to revenue shortfall and will result in an adjustment to service levels.

Maintenance Service Level/Performance Standard Review – $1,937,579 / (3.00) FTEs. This proposal reflects an implementation plan resulting from review of Maintenance section performance standards and service level costs. For the 2012/2013 biennial budget, the Road Services Division completed an analysis of maintenance task performance standards and service levels. Prior to this analysis, performance standards and service level costs have only been updated annually for rate changes (labor, benefits, and ER&R equipment), but costs associated with road materials, supplies, and contract services accounts have not been revised for many years. RSD reviewed ten years of historical data for about 60 tasks, evaluating actual unit costs for various accounts. In addition, service levels for various activities were revised in light of SPRS priorities, incorporating historical accomplishment rates, current condition ratings, and emergency response capabilities. These updates to the Maintenance Management System resulted in some work element cost increases and some decreases, but the net was an overall cost increase of nearly $1 million annually.

Maintenance Chip Seal Prep Service Level Decrease – ($358,555) / (2.00) FTEs. This proposal requests a decrease in the resources associated with the Chip Seal Preparation program consistent with an evaluation of chip seal needs using the tiered resource allocation system. As part of the 2012 / 2013 proposed budget, the Chip Seal Preparation program is moved from the Road Maintenance section to the CIP budget.

Maintenance City Contract Reduction – ($1,086,207) / (6.00) FTEs. This change item reduces the resources budgeted for Maintenance city contract work. The Road Maintenance Section has contracts with a variety of cities in King County for road maintenance services. Each year the contracts call for adjustments in the level of service provided. For the 2012 budget, reductions are being taken from 2012 PSQ for SeaTac, Burien, Lake Forest Park, Covington and Sammamish while the budget for Shoreline and non-contract cities is increasing. The net result is a decrease in workload and an associated reduction of six positions (two truck drivers, one equipment operator, two utility workers, and one crew chief) and related materials budgets.

Maintenance Section Reduction in Loan Out Labor to Water and Land Resources – ($0) / (5.00) FTEs. This change item consists of a reduction in loan out labor to the Water and Land Resources Division (WLRD), consistent with anticipated workload needs identified by WLRD. The reduction in loaned out labor to WLRD results in the reduction of five FTEs in the operating budget (three utility workers, one equipment operator, and one crew chief).

Maintenance CIP Loan Out Workload Position Adjustments – ($0) / (2.00) FTEs. This change item aligns budgeted positions with those necessary to perform planned capital projects. From 2011 to the 2012 / 2013 biennial budget, there is a shift in the type of projects that RSD CIP is allocating to the Maintenance Section. Although there are changes in several of the CIP program areas, the primary driver for this proposal is the anticipated reduction in fish passage projects (from two to one), reduction of chip seal installation miles, and an increase in Americans with Disabilities Act (ADA) ramp projects associated with ADA improvements required but not yet completed for various overlay projects. The change in cost is associated with a different mix of staff required to perform the work program.

Maintenance Reimbursable Workload Adjustments to Other Miscellaneous Clients – ($0) / (3.00) FTEs . This item reduces the anticipated budget for reimbursable services to other county agencies and other Road Services Division sections, per their request. The Maintenance section provides services to various King County agencies and other RSD sections, including tasks such as paving, bridge repairs, drainage system repairs, concrete work, guardrail repair, catch basin cleaning, sweeping, and mowing. For 2012, several entities have indicated a reduction in their anticipated service needs. This change results in the reduction of three FTEs (two utility workers and one truck driver) and a corresponding reduction in loan out labor.

Maintenance Section Drainage Design Unit Loan Out to CIP – ($1,094,022). This item implements loan out of the Drainage Design unit to the CIP. A separate change moves Drainage Preservation Program costs from the Maintenance Section to the CIP. In addition to these costs, the Maintenance Section drainage design unit provides support to the Drainage Preservation Program. This change loans out the Drainage Design unit support to the CIP. In 2012, the Drainage Design unit will be moved from the Maintenance Section to the Engineering Services Section. When that occurs, this loan out will move from one section to the other accordingly.

Traffic Engineering City Workload Reduction – ($623,374) / (1.90) FTEs. This change item reduces the resources budgeted for Traffic city contract work. The Traffic Engineering Section has contracts with a variety of cities in King County for basic and discretionary traffic services. RSD works with the cities each year to make adjustments to the level of service provided. Based on current estimates, there are increases in basic traffic maintenance services in the cities of Pacific, Redmond, Bothell and North Bend and decreases in Burien, Shoreline, Woodinville, Federal Way, Kent, Kirkland, Sammamish, Kenmore and Mercer Island. Also, discretionary budgets are increasing in Shoreline, Snoqualmie, SeaTac, Covington, Kenmore, Lake Forest Park, North Bend and Pacific and decreasing in Auburn, Woodinville, Federal Way, Issaquah, Mercer Island, Redmond, Bothell, and Milton. Based on analysis of the past two years, it appears that cities are reducing their ongoing basic contract services budget and increasing discretionary work in an effort to gain greater control over expenditures and to closely direct more of their detailed work. The net result is a reduction of 1.90 FTE positions (sign technicians), reductions in temporary and overtime, and reductions in various materials and services costs.

Reimbursable (Org 1668) Projects Reduction – ($2,741,862). This change reduces the expenditures in the reimbursables low org consistent with recent workload levels.

Maintenance and Engineering Services TLT Reductions – ($574,036) / (1.75) TLTs. This change item reconciles maintenance, engineering, and traffic TLT positions with those approved and anticipated for the upcoming biennium. It eliminates one engineering position (0.75 FTE) associated with environmental permitting and one engineering position (1.00 FTE) associated with the development of roadway ditching best management practices. In 2013, an additional 1.75 TLTs expire and are removed from the budget.

Administrative Service Changes

2011 Mid-Year Administrative/Management Reductions – ($640,980) / (3.00) FTEs. This change item implements various administrative reductions that occurred in mid-2011 and are ongoing in 2012. This change includes the reduction of budget and Technology Management Office extra help, elimination of a Tech Info Process Specialist (catalog and file technical docs) and Administrative Specialist IV in Engineering Services, elimination of an Administrative Specialist II in Maintenance Services (Special Ops - Bridges/Trades), reduction in salary and wage contingency savings, and elimination of minor office furniture equipment budget.

Administrative/Management TLT Reductions – ($549,587) / (2.35) TLTs. This change item reconciles administrative/management TLT positions with those approved and anticipated for the upcoming biennium. It eliminates one IT Project Manager I TLT position in the Administration Section, reduces one Project Program Manager III TLT position in the Administration Section (working on ABT implementation) from a 0.8 TLT to 0.2 TLT (3 months), and eliminates one 0.75 TLT Special Project Manager I position associated with Facility and Special Projects Negotiations in Maintenance Services. In 2013, the 0.2 administrative/management TLT is eliminated.

Efficiency Reductions

Administrative/ Management Efficiencies – ($1,024,550) / (5.00) FTEs. This proposal consists of various administrative/managerial efficiencies including: (1) the elimination of one Project Program Manager II associated with county traffic operations, analysis, and safety reporting in the Traffic Section, with that position's analytic and administrative functions being reassigned to other positions; (2) the elimination of one Administrative Specialist IV in the Admin Section, with this position's duties being assumed by other staff; (3) the elimination of a Transportation Planner III in the Administration Section, with Mitigation Payment System and concurrency planning work redistributed among remaining planning staff; (4) the elimination of one

Administrative Specialist II position in the Administration Section, with these receptionist duties assumed by remaining staff; and (5) the elimination of one accounting Budget and Finance Officer III position in the Administration Section, with that position's work to be redistributed among remaining accounting staff. This change item also includes a reduction in the equipment replacement budget for computers.

Maintenance Efficiencies – ($418,799) / (1.50) FTEs. This proposal consists of various operational efficiencies achieved through reorganizations or other operational changes. It includes partial FTE reductions associated with the following positions, with the work for these positions being reassigned to remaining staff: a site development specialist and two engineers.

Engineering Services Efficiencies – ($397,213) / (5.50) FTEs. This proposal consists of various operational efficiencies achieved through reorganizations or other operational changes. Included is: (1) the elimination of one Engineering IV position made possible by the repurposing of the manager of the Construction Project Engineering group, which was consolidated with other groups as part of the engineering section reorganization; (2) elimination of two engineering positions in the CIP/Specifications unit, with their work group being eliminated and remaining work reallocated; and (3) elimination of partial engineering FTEs associated with the following, with workload assigned to other staff: CIP/utility inspection, ADA program, road reconstruction and preservation, bridge project management, and maintenance bond and road log.

Traffic Engineering Efficiencies – ($943,046) / (3.50) FTEs. This proposal consists of various operational efficiencies achieved through reorganizations or other operational changes. Included are the following: (1) the elimination of an Engineer IV position, made possible by the merging of the Traffic Engineering and Engineering Services Sections; (2) the elimination of one Traffic Safety Engineer, with the production of the safety report being reassigned to other staff; (3) the elimination of a Engineer III FTE performing development review and road variance analysis, with this work being assumed by the remaining staff; and (4) the elimination of a partial Electrical Inspector FTE performing electrical inspections, with signal technicians taking over this work.

Technology Cost Savings

King County Information Technology Reorganization – ($2,854,876). Salary, benefits and technology resources are transferred from RSD to the Information Technology (IT) services fund to consolidate Executive branch IT budgets into one fund with oversight and management by the Chief Information Officer. RSD will pay for IT services, which are included in this change item as well as those associated with RSD operations included in the Technology Cost Savings for the DOT Director’s Office, via central rate CR50, which offsets the transfer.

Equipment Replacement Reduction – ($155,384). This change item implements efficiency reductions in equipment replacement budgets.

Revenue Backed Changes

Engineering Services City Reimbursable Work Adjustment – $1,196,200. This change item increases the resources budgeted for Traffic city contract work. RSD provides engineering services to a variety of cities in King County. The division works with the cities each year to make adjustments to the services provided.

Auburn Green River/Fenster Levee Rehabilitation (One-Time Contract) – $300,146 / 2.00 FTEs. This proposal involves Road Maintenance restoration of a portion of a corridor along the Green River for fish passage, floodplain refuge, and floodplain function. This work is in its final phase and it is anticipated that this will be a one-time addition; revenues and expenditures are not planned for 2013. This proposal results in the addition of two positions: one truck driver and one utility worker as well as budget for various materials, disposal and equipment costs.

High Risk Rural Road Safety Grant Program Adjustment - $943,108. This change item provides budget authority for activities associated with the Washington State Department of Transportation County Safety Program, with operating grant money from the Federal Highway Administration Safety Improvement Program - High Risk Rural Roads Program. These grants aim to reduce collisions in the two top collision situations: run-off-the-road collisions and intersection related crashes. This grant funding will allow low cost solutions such as centerline rumble strips, guideposts, reflectors on existing guardrail, warning signs, sight distance improvements, and removal of hazards, to be installed at appropriate locations. Emphasis will be placed on locations with identified concerns such as steep grades, sharp curves, roadside hazards, narrow shoulders, and limited sight distance. There was a delay in funding in 2011, which has necessitated revisions to the schedule and associated changes to the allocation of design and construction management and construction dollars across the years. Intersection improvement design and construction will be completed in 2012. Design of run-off-the-road projects will be completed in 2012, but construction will not be performed until 2013. This proposal increases loan in labor to the project as well as contract services.

Central Rate Changes

Central Rate Adjustments – $1,130,396. This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, plus supplemental, and results in a $1,130,396 increase in charges to RSD. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

Technical Adjustments

Maintenance Section Drainage Preservation Program Transfer to CIP – ($6,054,604). This change item transfers the Drainage Preservation unit costs from the Maintenance Section to the CIP budget, consistent with the SPRS and the CWMPG policy directive to standardize budget content in operating and CIP budgets. This program transfer is a technical adjustment that moves preservation work from the operating budget to the RSD CIP. The RSD CIP contribution is adjusted by a commensurate amount.

Maintenance Section Overlay Prep Transfer to RSD CIP – ($2,580,381). This change item transfers the Overlay Prep unit costs from the Maintenance Section to the CIP budget, consistent with the SPRS and the CWMPG policy directive to standardize budget content in operating and CIP budgets. This program transfer is a technical adjustment that moves preservation work from the operating budget to the RSD CIP. The RSD CIP contribution is adjusted by a commensurate amount.

Maintenance Section Chip Seal Prep Transfer to RSD CIP – ($939,482). This change item transfers the chip seal prep work program budget from the Maintenance Section to the CIP budget. This program transfer is a technical adjustment that moves preservation work from the operating budget to the RSD CIP, consistent with the Strategic Plan for Road Services and the CWMPG policy directive to standardize budget content in operating and CIP budgets. The RSD CIP contribution is adjusted by a commensurate amount.

Permit Integration IT Project Allocation – ($2,836). This change item adjusts RSD’s contribution to the King County Permit Integration project to be consistent with current project reimbursement schedules.

Transfer of Mitigation Monitoring Program from CIP to Operating Engineering - $1,118,843. This change transfers the Mitigation and Monitoring program (currently MRSDP1 in the CIP) from the CIP budget to the operating Engineering Services Section. The monitoring activities are considered an ongoing regulatory compliance effort and should therefore be funded and included in the operating budget.

DOT Director's Office Allocation and Unincorporated Area Contribution – ($74,957). This item revises the RSD's contribution to the Department of Transportation Director's Office per the Director's Office allocation plan and including funding for RSD support of the Unincorporated Areas staffing.

Miscellaneous Technical Adjustments – $261,887 / ($387,890) Revenue. This change item corrects erroneous account values contained in the base budget and adjusts certain 2013 accounts for inflationary factors.

Labor Distribution - $1,171,553. This adjustment implements revisions to various accounts reflecting labor distribution for RSD.

Revenue Adjustment – ($5,776,720) Revenue. This change item revises various revenue to accounts for anticipated 2012 / 2013 biennial revenues.

COLA Adjustment – ($124,553). The Cost of Living Adjustment (COLA) is calculated at 1.63 percent for 2012 and 2.36 percent for 2013.

Merit Adjustment – ($239,587). The merit adjustment revises merit budget for operational changes not included in other change items.

2012 Proposed Financial Plan
Road Services Division / 1030

	2010 Actual [1]	2011 Adopted	2011 Estimated [2]	2012 Proposed	2013 Proposed	2014 Projected [3]	2015 Projected [3]
Beginning Fund Balance	(2,952,544)	1,910,589	(10,724,338)	2,062,222	4,226,952	3,523,394	4,796,777
Revenues							
- Property Tax without Annexation Reductions [4]	79,889,451	86,240,012	80,309,876	74,209,709	75,946,386	79,551,923	80,845,865
Potential Property Tax Annexation Impacts					(6,425,041)	(6,650,041)	(23,521,832)
Adjustment for Currently Anticipated Annexation Impacts					6,425,041	6,650,041	23,521,832
- Gas Taxes [5]	13,801,925	15,298,917	13,920,640	13,299,504	13,438,639	13,492,642	13,533,424
- Reimbursable Fees For Service [6]	11,728,951	17,527,484	18,026,653	14,886,159	14,793,255	15,154,155	15,524,980
- Sale of Assets [7]	188,314	4,000,000	-	-	-	-	4,000,000
- Grants	2,430,009	2,729,037	4,017,006	2,364,009	2,359,057	1,000,000	1,000,000
- Other Revenues [8]	1,572,366	2,086,521	2,073,336	1,185,443	1,052,303	1,067,941	1,084,019
Total Revenues	**109,611,016**	**127,881,971**	**118,347,510**	**105,944,824**	**107,589,639**	**110,266,660**	**115,988,288**
Total Biennial Revenues					**213,534,463**		**226,254,949**
Expenditures							
- Road Operating Base (0730)	(81,494,278)	(83,077,429)	(77,372,681)	(68,428,543)	(71,109,880)	(72,749,807)	(74,919,653)
- Surface Water Utility Payment (0730)		(3,473,023)	(3,844,539)	(3,744,664)	(3,744,664)	(3,744,664)	(3,744,664)
- Traffic Enforcement Payment to KCSO (0730)		(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
- Regional Stormwater Decant Program (0726)	(488,145)	(627,507)	(610,052)	(367,615)	(357,104)	(390,003)	(401,703)
- Previous Year Encumbrance Carryover			(680,664)				
- 2011 Mid Year Staff and Other Reductions			6,280,118				
Potential Annexation Impacts					1,709,375	1,746,883	6,704,550
Adjustment for Currently Anticipated Annexation Impacts					(1,709,375)	(1,746,883)	(6,704,557)
Total Expenditures	**(81,982,423)**	**(91,177,959)**	**(80,227,818)**	**(76,540,822)**	**(79,211,648)**	**(80,884,473)**	**(83,066,027)**
Total Biennial Expenditures					**(155,752,470)**		**(163,950,500)**
Estimated Underexpenditures		911,780	802,278	765,408	792,332	808,845	830,660
Other Fund Transactions							
- Transfer to Roads Construction Fund							
Contribution - Road Debt Service	(4,275,264)	(7,735,184)	(7,735,184)	(7,150,000)	(9,649,000)	(9,388,000)	(9,387,000)
Contribution - Road Projects and Programs	(31,125,123)	(25,872,967)	(18,400,226)	(21,854,680)	(20,743,153)	(23,297,919)	(22,884,746)
Total Contribution	(35,400,387)	(33,608,151)	(26,135,410)	(29,004,680)	(30,392,153)	(32,685,919)	(32,271,746)
- ABT Debt Service [12]					(481,729)	(481,729)	(481,729)
- Future Balancing Reductions/Efficiencies						3,000,000	3,000,000
- Future Property Sales to Establish Reserve/Fund Balance				1,000,000	1,000,000	1,250,000	1,250,000
Total Other Fund Transactions	(35,400,387)	(33,608,151)	(26,135,410)	(28,004,680)	(29,873,882)	(28,917,648)	(28,503,475)
Total Biennial Other Fund Transactions					**(57,878,562)**		**(57,421,123)**
Ending Fund Balance	(10,724,338)	5,918,230	2,062,222	4,226,952	3,523,394	4,796,777	10,046,224
Reserves & Designations							
- Buy out Elk Run Gulf Course Lease [9]		(4,000,000)					(4,000,000)
- Revenue Shortfall/Non-Reimbursable Storm Work Reserve					(500,000)	(1,000,000)	(1,500,000)
Total Reserves & Designations	-	(4,000,000)	-	-	(500,000)	(1,000,000)	(5,500,000)
Ending Undesignated Fund Balance	(10,724,338)	1,918,230	2,062,222	4,226,952	3,023,394	3,796,777	4,546,224
Target Fund Balance [11]	1,644,165	1,918,230	1,775,213	5,000,000	5,000,000	5,000,000	5,000,000

Financial Plan Notes:

[1] 2010 Actuals are taken from the 2010 CAFR or 14th Month ARMS/IBIS.

[2] 2011 Estimated is based on updated revenue and expenditure data.

[3] 2013 and 2014 Projected are based on prior year data, inflation, and other anticipated changes.

[4] The financial plan continues to assume 1% levy growth rate plus new construction. Assessed valuation estimates are from the OEFA September 2011 projections.

[5] Gas Tax estimates are based on the DOT's estimate of statewide revenues available to counties and King County's allocation factor from CRAB. These Figures reflect WSDOT's March 2011 forecast; and CRAB's July 2010 allocation for King County (9.435%) beginning in 2010 and continuing into 2011.

[6] Reimbusable fees for service include city contracts, expense/revenue identified in the division-wide reimbursables org (1668) covering discretionary services, MPS admin fees, right of way inspection fees, and regional stormwater decant fees.

[7] Per the proposed Road Services Division financial policies and practices, all property sale revenue has been removed from the 2012 / 2013 years of the biennial budget financial plan.

[8] Other revenues include all road fund revenues other than property taxes, gas tax, reimbursables, sale of assets, and grants, which are identified separately in the financial

[9] The sale of Summit Pit is contingent on the purchase of the Elk Run Golf Course lease.

[10] Per the proposed Road Services Division financial policies and practices, Road Services will establish a Revenue Shortfall/Non-Reimburseable Storm Work Reserve on the order of $2 million. The reserve is to be established through property sales and other one-time revenues and will be in place by the end of the 2015 / 2016 biennium.

[11] Prior to 2012, RSD target fund balance was etablished at 1.5% of revenues. In 2012 and beyond, per the proposed Road Services Division financial policies and practices, Road Services will establish a target fund balance of $5 million. The increased fund balance is to be established through property sales and other one-time revenues and will be in place by the end of the 2015 / 2016 biennium.

[12] This is an estimated amount for 2013 and outyears. This value has not been included in the budget system.

2012/2013 Biennium Budget for

Stormwater Decant Program 1030/0726

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	1,236,737	0.00	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(648,139)	0.00	0.00
SQ13	2013 Base Budget - $622,337 Revenue	594,913	0.00	0.00
		(53,226)	**0.00**	**0.00**
Direct Service Changes				
DS10	Regional Stormwater Disposal Program Reduction	(345,588)	0.00	0.00
Central Rate Changes				
CR05	General Fund Overhead Adjustment	316	0.00	0.00
CR25	Financial Service Charges	327	0.00	0.00
CR28	Equipment Repair and Replacement	(192)	0.00	0.00
CR48	Business Resource Center	9,811	0.00	0.00
		10,262	**0.00**	**0.00**
Technical Adjustments				
TA09	Labor Distribution Adjustment	(123,466)	0.00	0.00
TA10	Revenue Adjustment - ($269,228) Revenue	0	0.00	0.00
		(123,466)	**0.00**	**0.00**
	2012/2013 Biennium Budget	**724,719**	**0.00**	**0.00**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Stormwater Decant Program

PROGRAM HIGHLIGHTS

The total 2012 / 2013 Proposed Budget for the Stormwater Decant program is $724,719.

Adjustments to Adopted Budget

2011 Service Levels Adjusted for 2012 Costs – ($648,139). Adjustments to the 2010 / 2011 Adopted Biennial Budget were made to incorporate inflation in labor and other select operating costs, to incorporate mid-biennial review supplemental changes, and to remove the 2010 portion of the budget to create a baseline for the 2012 budget. All of the adjustments result in a net decrease of ($648,139) from the 2010 / 2011 Adopted Biennial Budget.

2013 Base Budget – $594,913 / $622,337 Revenue. This change inflates the 2012 base budget to generate the 2013 base for the 2012 / 2013 biennial budget.

Direct Service Changes

Regional Stormwater Disposal Program Reduction – ($345,588). This change implements anticipated reductions in volume of stormwater decant, which is associated with the closing of the Brugger's Bog Road Maintenance facility. The Brugger's Bog facility primarily served the Juanita, Finn Hill, and Kingsgate area. Once Kirkland annexed this area, the Brugger's Bog facility was closed and has been recommended for surplus. With regard to the Stormwater Decant Program, the Brugger's Bog site primarily served private vacuum flush truck vendors. With the elimination of this north end decant facility, there is an anticipated reduction in overall decant volume. This proposal adjusts budgeted expenditures and revenues accordingly.

Central Rate Changes

Central Rate Adjustments – $10,262. This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, plus supplemental, and results in a $10,262 increase in charges to RSD. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

Technical Adjustments

Labor Distribution Adjustment – ($123,466). This adjustment implements revisions to various accounts reflecting labor distribution for RSD.

Revenue Adjustment – ($269,228) Revenue. This change item revises various revenue to accounts for anticipated 2012 / 2013 biennial revenues.

2012/2013 Biennium Budget for

Roads Construction Transfer 1030/0734

Code/ Item#	Description	Expenditures	FTEs *	TLTs
	Adopted Budget			
AD01	2011 Adopted Budget	72,397,784	0.00	0.00
	Adjustments to Adopted Budget			
SQ01	2011 Service Levels Adjusted for 2012 Costs	(40,262,445)	0.00	0.00
SQ13	2013 Base Budget	32,135,339	0.00	0.00
		(8,127,106)	**0.00**	**0.00**
	Technical Adjustments			
TA01	Maintenance Drainage Preservation Program Transfer to CIP	6,054,604	0.00	0.00
TA02	Maintenance Overlay Prep Transfer to CIP	2,580,381	0.00	0.00
TA03	Maintenance Chip Seal Prep Transfer to CIP	939,482	0.00	0.00
TA06	Transfer of Mitigation Monitoring Program from CIP to Operating Engineering	(1,118,843)	0.00	0.00
TA10	Other Adjustments to Consistent with Capital Program	(13,329,469)	0.00	0.00
		(4,873,845)	**0.00**	**0.00**
	2012/2013 Biennium Budget	**59,396,833**	**0.00**	**0.00**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Roads Construction Transfer

PROGRAM HIGHLIGHTS

The total 2012 / 2013 Proposed Budget for the Roads Construction Transfer is $59,396,833.

Adjustments to Adopted Budget

2011 Service Levels Adjusted for 2012 Costs – ($40,262,445). Adjustments to the 2010 / 2011 Adopted Biennial Budget were made to incorporate inflation in labor and other select operating costs, to incorporate mid-biennial review supplemental changes, and to remove the 2010 portion of the budget to create a baseline for the 2012 budget. All of the adjustments result in a net decrease of ($40,262,445) from the 2010 / 2011 Adopted Biennial Budget.

2013 Base Budget – $32,135,339. This change inflates the 2012 base budget to generate the 2013 base for the 2012 / 2013 biennial budget.

Technical Adjustments

Maintenance Drainage Preservation Program Transfer to CIP – $6,054,604. This change item increases the Roads Construction Transfer by the amount of the Drainage Preservation Program, which is being moved from the Maintenance Section in the operating budget to the CIP. This change is consistent with the Strategic Plan for Road Services and the CPMWG policy directive to standardize budget content in operating and CIP budgets.

Maintenance Overlay Prep Transfer to CIP – $2,580,381. This change item increases the Roads Construction Transfer by the amount of the Overlay Prep Program, which is being moved from the Maintenance Section in the operating budget to the CIP. This change is consistent with the SPRS and the CPMWG policy directive to standardize budget content in operating and CIP budgets.

Maintenance Chip Seal Prep Transfer to CIP – $939,482. This change item increases the Roads Construction Transfer by the amount of the Chip Seal Prep Program, which is being moved from the Maintenance Section in the operating budget to the CIP. This change is consistent with the SPRS and the CPMWG policy directive to standardize budget content in operating and CIP budgets.

Transfer of Mitigation Monitoring Program from CIP to Operating – ($1,118,843). This change item decreases the Roads Construction Transfer by the amount of the Mitigation Monitoring Program, which is being moved from the capital budget to the operating budget. This change is consistent with the SPRS and the CPMWG policy directive to standardize budget content in operating and CIP budgets.

Other Adjustments Consistent with Capital Program – ($13,329,469). This change item implements other changes to the Roads Construction Transfer consistent with the proposed capital program and resulting financial plan CIP contribution amount.

Road Services Division Capital Budget

As noted previously, RSD maintains, preserves, and operates roads, bridges and related infrastructure in unincorporated King County. The county's many bridges are an integral part of the road system, as are other components such as sidewalks and pathways, bike lanes, guardrails, drainage and water quality facilities, traffic control equipment, and traffic cameras. The overarching goal of the capital program is to make sound capital investment decisions on existing roadways to provide safe, efficient and environmentally sound transportation facilities for the movement of people, goods and services. The CIP is developed to provide safe roads and bridges, to be consistent with federal, state, and county land use policies and plans, and to meet identified transportation needs within the current financial constraints.

Also as noted above, in recent years, the division has developed a significant structural funding gap. Revenue growth from the unincorporated area property tax levy and gas tax has not keep pace with rising operating costs. In addition, annexations result in a loss of revenue but not a commensurate reduction in costs. RSD's available funding falls short of existing needs by $20 to $30 million per year, despite efforts in recent years to gain further efficiencies, streamline its organizational structure, adjust business practices, and achieve for countywide labor savings. The severity of the funding gap is compounded by the obligation of rural taxpayers to pay debt service on projects that have or will be annexed by cities in the next few years.

In 2010, the division completed the SPRS, which sets clear priorities to guide the division as it manages the road system. King County Council Motion 13393 required RSD to develop an implementation plan to deliver its programs and services within the policy framework of SPRS and within currently forecast revenue. SPRS implementation work, facilitated by meetings of an interbranch workgroup, has included the development of a tiered/risk management-based approach to resource allocation and development of new financial policies, which have in turn informed the development of the 2012 / 2013 Executive proposed capital improvement plan.

SPRS Priorities

The County has reached the critical point where a decade of voter initiatives and legislative actions combined with a drop in property values and gas tax revenues due to the Great Recession have reduced the funding available to the CIP. Over the next six years, this situation will worsen as revenues are projected to continue to decline as annexations are completed. The County will retain responsibility for preserving and maintaining bridges, roads, and drainage systems in the most remote and flood prone areas of the county. Many of these remaining assets have or will reach the end of their projected useful life in the next six years and require significant investment to restore their condition to serviceable levels.

To assist in the allocation of scarce resources, the SPRS established priorities, which are indicated below in rank order.

- Meet regulatory requirements and standards
- Meet core safety needs
- Preserve the existing roadway facilities network
- Enhance mobility by facilitating more efficient use of the existing road system
- Address roadway capacity needs

As part of SPRS implementation, RSD has developed a tiered service level/risk management-based allocation method that incorporates the SPRS priorities. This allocation method is described below.

Tiered Service Levels

In 2012, the County will transition to a tiered system of prioritizing its roadways based upon their function and importance to the rural and regional roadway network. The hierarchical tiered system, combined with a risk management approach, will focus resources on providing the most functionally effective road network possible given limited resources. This will be accomplished by first meeting regulatory requirements and core safety needs throughout the road network and then by allocating remaining resource to maintaining and preserving the most vital components of the road network. Using a system of five tiers, the RSD has assigned each road segment to a service level tier using criteria such as traffic volume, projected length of detours or whether the road is considered sole-access, a lifeline route or important in maintaining transit mobility.

Risk Management Considerations

As detailed above, RSD will establish a hierarchy of roadways, which, combined with a risk management approach, will focus resource allocation on the preservation and maintenance of the most vital components of the existing roadway network. Within this framework, RSD will expand the use of risk management, claims analysis, and tort liability for planning, engineering, and implementation. To support this function, RSD will focus resources on collection and analysis of division-wide risk and claims data.

CIP Implications

This proposed six-year plan reflects the tiered/risk management-based resource allocation method by focusing on roadways within the higher tiers of the system and prioritizing the work programmed upon those roadways using risk analysis and the priorities within the approved SPRS. The majority of the projects in the CIP relate to maintenance and preservation of assets located on high tier road segments. With regard to regulatory compliance, the CIP provides ongoing funding for projects that bring the road system into compliance with the Americans with Disabilities Act (ADA) as well as projects to meet permit requirements. Core safety is narrowly defined in the CIP and safety needs prioritization is supported by information collected as part of the Annual Bridge Report and the Transportation Needs Report. Enhancing mobility is primarily accomplished with intelligent transportation system and pedestrian pathway projects that leverage federal grant or other partnership funding. There are no capacity projects contained within the proposed six-year plan and investments in those areas scheduled for annexation are limited.

Consistent with the tiered/risk management-based policy framework, there are projects within the 2010 / 2011 adopted budget that no longer meet the priorities and will be put on hold. Some are fully designed, like project number 200106 Lake Alice Road. This culvert is anticipated to fail at some point; however the roadway is on the lowest tier, so the project is on hold and the construction funds are being transferred to a project on a higher tiered roadway. RSD will monitor the condition of this culvert to protect public safety. Project number 200209 Preston Fall City Road at High Point Way is another example. This project is also fully designed, but is a mobility project backed solely by county funds. Mobility improvements are fourth in the priorities established by SPRS. These construction funds are being diverted to higher priority preservation projects and this project is being put on hold.

The tiered service level will also have an impact on the engineering solutions to projects on the lower tiers. RSD will review design criteria on every project to ensure that it is appropriate for the project and the roadway. RSD may adjust the design standards or choose engineering alternatives with minimal added risk that offer the opportunity to significantly reduce the cost of the project. For example, in replacing a bridge on a Tier 4 road with very low traffic, design standards would ordinarily require a two lane bridge. However, it is possible that a one lane bridge will meet all the current and future capacity needs for this road. In that case, the County Road Engineer could issue a variance and RSD would construct the one lane bridge at much lower cost.

Lastly, the SPRS implementation also includes process/program improvements aimed at increasing the efficiency and transparency of Roads programs. This six-year program completes the process of moving the remaining preservation programs of drainage and overlay road preparation work into the capital program and moves the mitigation monitoring project, which is a maintenance function, into the roads operating budget.

2012 / 2013 Significant Project Highlights

The proposed 2012-2017 RSD CIP totals $242 million, including appropriation in 2012 and 2013 of $92 million. The difference between the 2010 - 2015 adopted budget and the current 2012 - 2017 proposed budget is $172 million. Below is a table of significant projects requesting appropriation in the 2012 /2013 biennium or requiring resources within the six year CIP. Details about all of the RSD 2012 / 2013 budget requests can be found in the division's project detail pages.

In addition to the projects noted below, Road Services is currently constructing the largest road and bridge projects in its history. The **South Park Bridge** and **Novelty Hill Road** have a combined project cost of nearly $230 million and both are on track for completion in 2013.

Significant Projects in the RSD Capital Improvement Program	2012 / 2013 Executive Proposed Budget	Continuation of Existing Project
Bridge and Road Preservation Projects		
Alvord 'T' Bridge	$867,000	
Issaquah-Hobart Road	$0	
Miller River Bridge Replacement	$10,000,000	
SE Summit-Landsburg Road	$0	
West Snoqualmie Valley Road NE	$7,474,000	
County-Wide Projects		
Pavement Overlay	$14,664,000	X
Drainage Program	$7,448,000	

Road and Bridge Preservation Projects
As discussed in more detail below in the Project Prioritization section and consistent with the SPRS priorities and implementation plan, the majority of the capital projects are preservation projects on high tier road segments.

Alvord 'T' Bridge: $867,000 in biennium, $890,000 in the six-year plan
In 2008 the county applied for grant funding for the replacement of the aged bridge. However, the grant application was denied and the county was directed by WSDOT to examine the feasibility of closing the bridge due to the high cost of replacement weighed against the low traffic volumes and two nearby alternate river crossings (SR 167 and Central Avenue South). This bridge has been posted as Load Limited since the early 1990s. It continues to deteriorate and is approaching the end of its useful life. This CIP project scope involves closure and then removal of this Tier 5 bridge in 2013.

Issaquah-Hobart Road SE: $0 in biennium, $11.5 million in the six-year plan
The Issaquah-Hobart Road SE project will remove and replace the existing 15 Mile Bridge, replace culvert, and reconstruct the roadway. The existing bridge and roadway, which are identified as Tier 1 road segments, have reached the design life expectancy. This project ranks #1 on the rehabilitation and reconstruction priority array. The project is programmed to start in 2014, with most of the construction taking place in 2016. The preliminary project estimate will be refines as the project scope is further developed in the 2012 / 2013 biennium.

Miller River Bridge Replacement: $10,000,000 in biennium
This project will remove and replace the existing bridge with a new structure that conforms to current design standards, preserving the existing road network function. The existing Tier 3 Miller River Bridge has exceeded its useful life. This project will be primarily funded through grants and other partner sources that are not yet secured. This project is programmed to start in 2012 and be completed in 2013.

SE Summit-Landsburg Road: $0 in biennium, $7,590,000 in the six-year plan
The SE Summit-Landsburg Road project will reconstruct and rehabilitate pavement. This road segment is a Tier 2 road and ranks #2 on the rehabilitation/reconstruction priority array. Portions of the roadway exhibit extensive pavement deterioration. Fatigue cracking in the form of longitudinal or alligator cracking is encountered at various locations on the roadway. The project is expected to begin in 2014, with the majority of construction taking place in 2015.

West Snoqualmie Valley Road: $7,474,000 in biennium
The West Snoqualmie Valley Road NE project will reconstruct the roadway and upgrade the drainage system. This project is on a Tier 2 road segment and ranks #5 on the Rehabilitation/Reconstruction Priority Array. The existing pavement exhibits many areas of severe fatigue cracking in both wheel paths. The project is expected to be completed in 2013 and is funded in large part by grants.

County-Wide Projects

Pavement Overlay: $14,664,000 in biennium, $48.8 million in the six-year plan
In the past several years, RSD has been able to optimize the lifecycle of the pavement on the County's approximately 570 miles of arterial roadways with a sustainable pavement overlay program. The overlay program has now been retooled to match the tiered system. Roadways in Tier 1 and Tier 2 will receive a regular 12 year cycle of hot mix asphalt overlay while Tier 3 roadways will receive either chip seal or hot mix asphalt based upon the need of the roadway. This could result in a lowering of the County's national accounting standard scores (GASB 34) that track pavement condition as an indicator of the overall health of the county's assets. This issue will be studied in 2012. Tier 4 and 5 roadways will receive neither overlay nor chip seal.

Drainage Program: $7,448,000 in biennium, $21.7 million in the six-year plan
This CIP proposes a comprehensive drainage program of repair and replacement of small drainage facilities throughout the road network. The tier framework and a risk analysis will help determine the proposed projects. This is work that has been previously performed within the operating budget by the maintenance section and is being moved into the capital budget as a preservation program.

TRANSIT DIVISION

Mission:

Transit Division

Provide the best possible public transit services to get people on the bus and improve regional mobility and quality of life in King County.

OVERVIEW

Metro Transit operates a fleet of about 1,300 vehicles – including standard and articulated coaches, electric trolleys, dual powered buses, and hybrid diesel-electric buses – and serves an annual bus ridership of over 100 million people within a 2,100 square mile area. Metro Transit serves riders who are disabled with accessible fixed route service (all Metro Transit buses have wheelchair lifts or ramps and all routes and trips are accessible) as well as with paratransit van service and a taxi script program. Metro Transit has twice been honored as the best-run large public transportation system in North America and in 2009 was named a bus safety award winner by the American Public Transportation Association.

Metro Transit is more than buses. For over 30 years, Metro Transit has been committed to providing environmentally healthy and energy-wise transportation. Metro Transit operates the largest publicly owned vanpool program in the country with more than 600 vans making more than 2.9 million trips per year. More than 5,000 people use these vans every day, eliminating a least 4,500 vehicles from area roads. The regional Ridematch system helps commuters form and sustain new carpools and vanpools in seven counties by matching names in a computer database. To help meet future needs and ease severe downtown traffic congestion, Metro Transit operates a 1.3-mile electric bus tunnel underneath downtown Seattle.

Metro Transit operations are funded by the Public Transportation Fund, which is comprised of three sub-funds: operating, capital, and fleet replacement. There are several revenue sources for the Public Transportation Fund, but the main revenue source is sales tax.

2012 / 2013 Key Issues

Metro is committed to serving the region with the highest quality products and services possible while working towards a vision of sustainable public transportation that helps the Puget Sound region thrive. Yet, Metro faces complex – and often competing – challenges. These challenges include changes in land use and the region's population impact where public transportation should be located, how service is provided, and who uses that service. Major projects that change the footprint of the transportation system, such as implementation of Sound Transit's Link Light Rail system, have an impact on public transportation and require regional collaboration during planning and construction and upon completion. In addition, public transportation is called upon to help mitigate climate change and meet diverse customer needs. All the while, the current sales tax-dependent structure limits Metro's ability to respond to these challenges.

The County Council and its Regional Transit Committee recently adopted the 2012-2021 Strategic Plan for Public Transportation. Metro's strategic plan provides the policy framework for the organization charting a path into the future, addressing the internal and external challenges and laying out a framework by which both near and longer term policy and resource decisions get made. Grounded in the King County Strategic Plan's guiding principles of accountability, customer service, fairness, partnerships, and efficient and effective delivery of products and services, Metro's strategic plan identifies overarching priorities that Metro will consider in its decision-making. Through its 8 goals, 17 objectives, and 36 strategies Metro identifies its commitment to a safe and secure transportation environment, equitable transportation opportunities, and economically thriving and environmentally sustainable communities while emphasizing service excellence, financial stewardship, public engagement and quality workforce.

Included as part of the Strategic Plan are new service guidelines that will help the public, Metro, and King County decision makers determine the appropriate level and type of service for different corridors and destinations. Guidelines will clearly state the balanced prioritization of emphasizing productivity, ensuring social equity, and providing geographic value used to identify the all-day and peak network and changes to the network.

Transit's primary funding source is sales tax revenue, which has declined dramatically while the demand for and costs to provide service have continued to increase. Without a new revenue source, Metro Transit would have needed to cut 600,000 hours of service over the 2012 / 2013 biennium. The 2011 state legislature passed legislation authorizing King County to approve a Congestion Reduction Charge (CRC) to help fund Metro transit services. In August, the King County Council passed a CRC, which will increase the Vehicle License Fee by $20 over a two year period and raise approximately $50 million – enough revenue to stave off service reductions for the biennium. A long term solution for transportation funding still needs to be identified or there will be significant reductions in transit service when the CRC expires.

As part of the legislation that enabled the CRC, Transit is committed to:

- Develop a Transit Incentive Program to provide eight bus tickets worth up to $24 for each car tab renewal.
- Phase out the downtown Seattle Ride Free Area in October 2012.
- Increase the cap of discounted bus tickets available to human service and homeless programs.
- Implement right-sizing of service consistent with the Transit Strategic Plan.
- Consider routes that carry more riders due to the effects of highway tolling as candidates for added services.

In addition, in response to the 2009 performance audit as well as internal needs assessment, Transit is investing in its management infrastructure to ensure on-going sustainable operations. Transit is adding some additional training resources, information technology support, and planning and analytical support.

Executive Priorities Considered in 2012 / 2013 Business Planning and Budget Development

The Executive's 2012 priorities to advance the KCSP and inform the 2012 / 2013 Proposed Budget spotlighted consideration of Equity and Social Justice; attainment of a 3 percent efficiency target while maintaining value and service levels; and KCSP alignment of agency goals, objectives, and services.

- ***Equity and Social Justice:*** Consistent with the Regional Transit Task Force recommendations, Metro's Strategic Plan for Public Transportation 2011-2021 and Service Guidelines ensure social equity in Metro's transit system. The strategic plan directs Metro to provide equitable opportunities for people from all areas of King County to access the public transportation system. Under this direction, Metro seeks to facilitate access to jobs, education, and other destinations for all customers, particularly those who have been historically disadvantaged (low income people, students, youth, seniors, people of color, people with disabilities, and others with limited transportation options). In addition, Metro prioritizes social equity when considering how to allocate, maintain, and reduce service from its system, as described in its service guidelines. Metro prioritizes service to concentrations of minority and low-income populations in its All-Day and Peak Network, which establishes service levels for transit corridors throughout King County. Metro also ensures that social equity is a primary consideration in any reduction proposal, making sure that historically disadvantaged populations are not disproportionately impacted. Metro recognizes, through these efforts, that social equity is a primary concern and value for King County's public transportation system.

- ***3 Percent Efficiencies:*** A number of efficiencies resulting from business process changes have been proposed to meet the 3 percent efficiency goal. These changes include:

    - Reorganizations (that result in reduced management and staff positions) will provide the organization with the focus that is needed to move forward with the implementation of the strategic plan and service guidelines as well as continued implementation of the 2009 performance audit.
    - Adding automation to the operating bases will allow the bases to more efficiently process work orders.
    - Reclassifying positions will result in better service and support.
    - Implementing time standards and other changes in Vehicle Maintenance will result in lower staffing and fewer management positions.
    - The capital budget includes an appropriation request for a new suite of Customer Information products. Moving to the next generation of customer service information is being required by the riding public and should bring some operating efficiencies in the way that customer contacts are handled.
    - The Westlake Pass Sales office is identified for closure in 2013. Located on the mezzanine of the Westlake station in the Downtown Transit Tunnel, the sales outlet handles walk-up customers. Sound Transit has installed more than 90 ticket vending machines in the tunnel. The ticket vending machines are handling a much larger volume of transactions then the pass sales office.

These changes are in addition to the efficiencies being gained through the implementation in the 2010 / 2011 biennium of the recommendations of the performance audit – with estimated annual ongoing savings in excess of $12 million – and the increased productivity that will result through the implementation of the new service guidelines. While these efforts do not have specific budget changes associated with them, they will help contain the costs to provide service.

Transit 4640/5000M

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	1,208,870,057	4,030.07	24.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(583,188,431)	(106.10)	1.00
SQ13	2013 Base Budget - $555,366,953 Revenue	651,423,252	0.00	0.00
		68,234,821	**(106.10)**	**1.00**
Direct Service Changes				
DS01	Bus Service Additions for Rapid Ride, Partnerships, Other	9,683,453	31.41	0.00
DS03	Access Service Revisions	12,464,797	0.00	1.00
DS04	Vanpool and Vanshare Service Growth	2,665,111	0.00	0.00
DS07	Rapid Ride Cost Adjustments	1,125,161	0.00	0.00
DS09	Right-Sized Service Changes	(574,502)	(13.35)	0.00
		25,364,020	**18.06**	**1.00**
Efficiency Reductions				
ER03	Access Service Efficiencies	(1,977,223)	(1.00)	0.00
ER09	Operations Efficiencies	(171,685)	(.75)	0.00
ER10	Vehicle Maintenance Efficiencies	(2,097,308)	(6.00)	0.00
ER11	Millwright Reorganization and Resulting Efficiencies	(198,990)	(1.00)	0.00
ER12	Closure of Westlake Pass Sales Office in 2013	(250,816)	0.00	0.00
ER13	Continuation of Audit Recommended HASTUS Scheduler Training	100,000	0.00	0.00
ER14	Commute Trip Reduction Program Reorganization	(738,872)	(3.00)	0.00
ER15	Vehicle Maintenance Business Process Efficiencies	475,978	1.00	0.00
ER16	Equal Employment Officer Position Efficiency	(242,091)	(1.00)	0.00
ER17	General Manager Office Efficiencies	(242,446)	1.00	(1.75)
ER20	Power & Facilities Reclassification/Position Reduction Efficiencies	(79,706)	(.25)	0.00
ER44	Building Occupancy Efficiency Reduction	(286,503)	0.00	0.00
		(5,709,662)	**(11.00)**	**(1.75)**
Technology Cost Savings				
CS02	King County Information Technology Reorganization	(913,070)	0.00	0.00
Program Changes				
PC04	Human Resources Organization and Employee Development Manager & Position Upgrade	285,382	1.00	0.00
PC06	Fuel Hedging Proposal	250,000	0.00	0.00
PC08	Service Development Reorganization	34,719	0.00	0.00
PC09	Service Development Staffing Alignment	53,005	.25	0.00
PC10	ORCA Card Expansion Support	2,167,778	0.00	0.00
PC12	Integrated Business Systems Operations Staff Alignment	288,277	4.00	(3.00)
PC13	Radio System O&M Cost Adjustment	585,534	0.00	0.00
PC14	Transfer of Environmental Monitoring to Operating/Adjustment of Allocation Contra	387,015	1.00	(1.00)
PC15	Transit Operating Systems Support and Maintenance	728,845	0.00	0.00
PC16	Capitalizing Policy Alignment Shifting Costs from Capital to Operating	853,804	0.00	0.00
PC17	Regulatory Changes Associated with Arc Flash Protection and Electrician Protective Clothing	428,076	0.00	0.00
PC18	Transit Security Cost Adjustment	3,716,388	1.00	0.00
PC21	New Facilities Support	219,129	1.00	0.00
PC25	Additional Cash Counting Support	150,000	0.00	0.00
PC26	Energy Plan Implementation	400,000	0.00	0.00
PC27	Mandated Spill Response Training	288,904	0.00	1.00
PC30	Transit Incentive Program	840,341	0.00	0.00
PC31	Elimination of Ride Free Area	162,390	0.00	0.00

Code/ Item#	Description	Expenditures	FTEs *	TLTs
PC32	Service Guidelines Implementation	0	0.00	0.00
		11,839,587	**8.25**	**(3.00)**
Revenue Backed Changes				
RB04	Link Contract Changes	1,028,339	2.00	0.00
RB06	South Lake Union Service Changes	192,514	0.00	0.00
RB09	Market Development Operating Grants	2,479,129	0.00	0.00
RB10	Reimbursed Activities	841,492	0.00	6.00
		4,541,474	**2.00**	**6.00**
Central Rate Changes				
CR01	Flexible Benefits	(3,471,773)	0.00	0.00
CR05	General Fund Overhead Adjustment	862,287	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(298,858)	0.00	0.00
CR08	Technology Services Infrastructure Charge	781,263	0.00	0.00
CR09	Geographic Information Systems Charge	10,425	0.00	0.00
CR10	KCIT Operations Charge/Rebate	302,056	0.00	0.00
CR11	Telecommunications Services	(162,297)	0.00	0.00
CR12	Telecommunications Overhead	(43,566)	0.00	0.00
CR13	Motor Pool Rate Adjustment	(11,339)	0.00	0.00
CR14	Facilities Management Space Charge	35,548	0.00	0.00
CR15	Insurance Charges	2,742,520	0.00	0.00
CR16	Radio Access	(184,512)	0.00	0.00
CR17	Radio Maintenance	354	0.00	0.00
CR18	Radio Direct Charges	(19,893)	0.00	0.00
CR19	Radio Reserve Program	(3,230)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(212,910)	0.00	0.00
CR21	Debt Service Adjustment	(31)	0.00	0.00
CR22	Long Term Leases	123,973	0.00	0.00
CR25	Financial Service Charges	(2,670,351)	0.00	0.00
CR26	Retirement Rate Adjustment	(2,294,972)	0.00	0.00
CR27	Industrial Insurance Rate Adjustment	(1,026,691)	0.00	0.00
CR28	Equipment Repair and Replacement	(19,801)	0.00	0.00
CR29	Wastewater Vehicles	(18,872)	0.00	0.00
CR33	Limited Tax General Obligation Debt Insurance	22,400	0.00	0.00
CR34	Fixed Asset Data Management	4,765	0.00	0.00
CR36	Property Services Lease Administration Fee	292	0.00	0.00
CR37	Facilities Management Strategic Initiative	2,628	0.00	0.00
CR38	Major Maintenance Repair Fund	(485)	0.00	0.00
CR46	KCIT Technology Projects	1,015,973	0.00	0.00
CR48	Business Resource Center	1,369,675	0.00	0.00
CR50	IT Re-Organizational Transfer	6,858,909	0.00	0.00
		3,693,487	**0.00**	**0.00**
Technical Adjustments				
TA04	Technical Adjustments	870,069	(.33)	0.00
TA05	Transit Division Loan Out Labor Adjustments	(703,232)	0.00	0.00
TA10	Revenue Adjustments - $157,599,501 (Revenue)	0	0.00	0.00
TA12	COLA Adjustment for 2012	(516,093)	0.00	0.00
TA13	COLA Adjustment for 2013	743,433	0.00	0.00
		394,177	**(.33)**	**0.00**
	2012/2013 Biennium Budget	**1,316,314,891**	**3,940.95**	**27.25**

Code/	Item#	Description	Expenditures	FTEs *	TLTs

*   FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Transit Operating Budget

PROGRAM HIGHLIGHTS

The total 2012 / 2013 Proposed Budget for Transit is $1,316,314,891, with funding for 3,940.95 FTEs and 27.25 TLTs. This amount represents a nearly 9 percent increase from the 2010 / 2011 Adopted Budget. However, it should be noted that approximately $13 million of this increase is associated with the KCIT reorganization and does not actually represent additional spending. Previously Transit received a large amount of IT support from the DOT Director's office. Because Transit and the DOT Director's Office are within the same fund, the support for these activities was contained within the fund and not indicated as an expenditure for Transit. In addition, the budget includes significant increases for Rapid Ride service increases and to meet Access service demand as well as increases in response to fuel prices. The 2012 / 2013 Proposed Budget also includes continuation of existing bus service hours made possible by the passage of the Congestion Reduction Charge as well as the anticipation of increased productivity as a result of planned implementation of the service guidelines developed as part of the Regional Transit Task Force work.

Adjustments to Adopted Budget

2011 Service Levels Adjusted for 2012 Costs – ($583,188,431) / (106.10) FTEs / 1.00 TLT. Adjustments to the 2010 / 2011 Adopted Biennial Budget were made to incorporate inflation in labor and other select operating costs, to incorporate mid-biennial review supplemental changes, and to remove the 2010 portion of the budget to create a baseline for the 2012 budget. All of the adjustments result in a net decrease of ($583,188,431) from the 2010 / 2011 Adopted Biennial Budget.

2013 Base Budget – $651,423,252 / $555,366,953. This change inflates the 2012 base budget to generate the 2013 base for the 2012 / 2013 biennial budget.

Direct Service Changes

Bus Service Additions for Rapid Ride, Partnerships, Other – $9,683,453 / 31.41 FTEs. This change item supports the projected changes in bus service. Compared to the bus service operated in September 2011, 21,968 hours of bus and DART service are added in 2012. In 2013, the increase from September 2011 is 41,077 hours. Service growth in 2012 is primarily from Rapid Ride service that is projected to add 19,000 annual hours. In 2013, Rapid Ride continues to expand adding another 23,000 annual hours. Transit Now partnership hours are projected to expand in 2013 by around 40,000 hours but this increase is offset by reduction in grant and mitigation funded service. Most of the increase in FTEs is associated with additional Transit operators with 31.41 FTEs added in 2012 and an additional 0.54 FTEs added in 2013.

Access Service Revisions – $12,464,797 / 1.00 TLT. This change item incorporates cost and demand growth in the Access program. First, this change provides funding (approximately $12 million) to maintain the paratransit program at the service level described in the Americans with Disabilities Act (ADA) plan. The act requires Transit to provide paratransit service that is comparable to bus service to persons who have a disability that prevents them from using fixed route bus service. The increase in projected Access costs for 2012 and 2013 is due to (1) growth of adult day health (ADH) program riders that were added in 2011, (2) growth in the Transit Now service area, (3) an increase in contract costs due to escalation of pricing on an annual basis based on contract agreements, and (4) longer trips taken by customers. Current ridership projections show the annual ridership increase in 2012 of 1.2% and 1.3% in 2013. Second, annual increases in 2012 and 2013 of are requested to cover partnership agreements with nonprofit agencies for the increased cost of fuel and maintenance of

Community Access Transit (CAT) vehicles. The CAT program represents an efficiency for Transit as it provides rides at a lower cost than through the regular paratransit program. Lastly, this change incorporates continuation of activities funded by the Washington State Department of Transportation Special Needs Grant including: (1) CAT, (2) the transit instruction program (bus travel training) administered by Lighthouse for the Blind, (3) the transportation resource center, (4) system enhancements for coordinating transportation alternatives to fixed route bus service, (5) Job Access Reverse Commute match and 6) the addition of a Transportation Planner III TLT to focus on developing and implementing senior and special needs oriented networks. Increase in Access service is anticipated to result in an additional $465,015 in revenue over the biennium.

Vanpool and Vanshare Service Growth – $2,665,111. This proposal supports existing commuter van service and funds an increase in service of 36 vanpool groups and 12 vanshare groups in 2012 and the same amount in 2013. The estimate for growth is lower than the average rate of increase from 2003 to 2008, but acknowledges the uncertainty around gasoline prices and the economic recovery. Additional demand is anticipated when tolling on the 520 bridge begins (commuter vans are exempt from tolls) and the massive outreach effort around the Alaskan Way Viaduct project kicks off. Additional revenue is anticipated with increased service as well as with an anticipated 8 percent vanpool fare increase: 2012 vanpool fare revenue is estimated at $10.3 million, with $3.3 million going to support vanpool vehicle replacement. In 2013, fare revenue is estimated at $10.7 million, with $3.5 million going to support vanpool replacement. In addition, vanshare groups are expected to generate approximately $0.4 million in each year of the biennium.

Rapid Ride Cost Adjustments – $1,125,161. This change item includes costs associated with the continued implementation of Rapid Ride with the B line starting in fall 2011, C/D lines starting in fall 2012, and E/F lines starting in fall 2013. Specific elements that are unique to this service include fare enforcement security guard costs, utility costs, annual Wi-Fi costs, and equipment maintenance costs.

Right-Sized Service Changes – ($574,502) / (13.35) FTE. This proposal exchanges a total of 22,989 budget hours of bus service for 22,596 hours of DART service in 2012. In 2013, when service is in place for the full year, bus service is reduced by 35,375 hours while DART service is increased by 30,960 hours. By 2013, operator FTEs are reduced by 20.53. Reduced bus service also translates into reduced bus ridership and bus fares, estimated at $145,549. DART cash fares are retained by the DART service provider, reducing the cost of service. This change is in response to Ordinance 17169 authorizing the congestion reduction charge and including the following direction: "The Executive is requested to begin implementing, by the June 2012 service change, new right-sized services provided at reduced operating costs to replace a minimum of five thousand annual service hours and up to twenty thousand hours of traditional transit services in east and south King County communities along the urban growth boundary and adjacent to rural areas, including currently served rural areas. For the purposes of this subsection, "right-sized services" means services that are appropriately scaled to the market served and the mobility needs of the local community.**"**

<u>Efficiency Reductions</u>

Access Service Efficiencies – ($1,977,233) / (1.00) FTE. This change item includes efficiencies associated with Access Services. Specifically, it eliminates 1.00 Transportation Planner FTE and $0.23 million from a workgroup of 23 employees, with the associated body of work – including contract compliance monitoring, National Transit Database (NTD) and vehicle accident reporting, and customer service monitoring – being reassigned to remaining section staff. Also, the current Access contracts are in effect from 2008-2013. Accessible Services has requested pricing for a 2013-18 extension this year. Pricing for the extension is still under negotiation, but the initial proposals show a significant reduction in inflation resulting in savings of $0.25 million in 2012 and $1.5 million in 2013.

Operations Efficiencies – ($171,685) / (0.75) FTE. This proposal removes three vacant partial positions that are no longer needed. These positions were created to support the implementation of the HASTUS system that is now complete. In addition, two Supervisor-in-Training positions are moved from cost center 5293 to 5251 to realign budget with actual location of staff.

Vehicle Maintenance Efficiencies – ($2,097,308) / (6.00) FTE. This change item includes a number of staffing changes to recognize efficiencies achieved within Vehicle Maintenance. The changes include: (1) reorganizations that enable positions to be deleted, (2) changing business processes that allow the reclassification of several lead positions, and (3) implementation of time standards, which were recommended in the 2009 performance audit, resulting in more efficient operation and a 2% reduction in positions (11.00 FTE) by 2013. In 2012, efficiencies result in a reduction of 6.00 FTEs.

Millwright Reorganization and Resulting Efficiencies – ($198,990) / (1.00) FTE. This item transfers Transit's millwrights to Power & Facilities to improve the efficiency of base maintenance activities, reducing millwright positions from 9 to 8 FTEs by combining responsibilities at the Central Campus. P&F is responsible for maintaining operating facilities.

Closure of Westlake Pass Sales Office in 2013 – ($250,816). This proposal closes the customer fare media sales office in the downtown Seattle transit tunnel at Westlake as of 2013. The budget reduction includes 3.00 FTE reductions in 2013 and support for armored car services. While the Westlake Pass Sales Office receives a steady stream of customers, much of the fare media sold is for use on Sound Transit and there are ticket vending machines for this purpose. Customers wishing to purchase transit fare media will be diverted either to King Street Center, ticket vending machines in the tunnel, third-party retail locations in or near downtown or to the Orca cardholder website. The capital program includes a request to install ticket vending machines at King Street Center and other locations to help with any volume increases.

Continuation of Audit Recommended HASTUS Scheduler Training – $100,000. This proposal supports ongoing training of schedulers by a consultant on the HASTUS software. Specifically, all Senior Schedule Planners will receive continuing education, consistent with the direction of the 2009 performance audit. Optimizing the use of the scheduling system is critical to minimizing the cost of delivering service while meeting on-time performance goals, operator needs, and contractual requirements. It is estimated that scheduling efficiencies have resulting in $12 million in savings annually without reducing bus trips. As another indication of operating efficiencies, FTEs per vehicle hour, fell by 13 percent between 2005 and 2010.

Commute Trip Reduction Program Reorganization – ($738,872) / (3.00) FTEs. This item merges the Sales and Customer Service's Commute Trip Reduction Services unit with the Service Development's Market Development unit. The change is intended to create efficiencies for both management and program delivery. The proposal eliminates a Transit Planning Supervisor, reclassifies an Administrative Specialist III position to a Project/Program Manager I, and eliminates Project Program Manager II and III positions. During the next twelve calendar months a reorganization of the two groups will be completed to align the group's structure with a work program and available resources.

Vehicle Maintenance Business Process Efficiencies – $475,978 / 1.00 FTE. This proposal requests funds to expand base automation and reinstate the mechanic apprentice program. Base automation expands on a pilot conducted at North Base in 2011 that provides equipment to be used by mechanics to directly enter information into the work order system, eliminating redundant data entry. Currently, mechanics manually complete information on work orders, which are then key entered by clerical staff. This proposal should result in staffing efficiencies when fully implemented, but no cost savings are assumed in this biennium. This change item also funds the reinstatement of the mechanic apprenticeship program to develop skills for future employees.

Equal Employment Officer Position Efficiency – ($242,091) / (1.00) FTE. This change item eliminates the vacant Project Program Manager IV position that was added to the 2011 biennium budget to meet requirements for an Equal Employment Opportunity Officer per Federal Transportation Administration (FTA) grant provisions. The position was left vacant while Transit worked out an alternate means of compliance with the FTA. The alternate means of compliance resulted in no additional costs to Transit.

General Manager Office Efficiencies – ($242,446) / 1.00 FTE / (1.75) TLTs. This item funds continuation of recommendations from the 2009 Performance Audit. One Business and Finance Officer IV position that has been working on the new financial model, financial policies, and reporting is converted from an FTE to a TLT. The new financial model will be parallel tested with the existing model through the end of 2011 with the intent of using the new model from that point forward. The position will be responsible for developing the new processes needed to generate the data inputs for the new model as well as for training staff and others on how it works. In addition, the TLT position added to work on business planning is eliminated. The work of this position informed the development of the 2012/2013 business plan. Other changes within the division such as the Service Development Reorganization will provide dedicated resources for performance reporting and reporting on progress in implementing the strategic plan. This proposal ensures that financial information is available to support performance and website reporting.

Power & Facilities Reclassification/Position Reduction Efficiencies – ($79,706) / (0.25) FTE. This change item reclassifies several positions and eliminates 0.25 FTE; these changes produce a more efficient organization and reduce costs.

Building Occupancy Efficiency Reduction – ($286,503). In 2011 Transit, in collaboration with Facilities Management, consolidated space and moved staff from the Yesler Building to existing footprints at the King Street Center.

Technology Cost Savings

King County Information Technology Reorganization – ($913,070). Salary, benefits and technology resources are transferred from Transit to the Information Technology (IT) Services fund to consolidate Executive branch IT budgets into one fund with oversight and management by the Chief Information Officer. Transit will pay for IT services, which are included in this change item as well as those associated with Transit operations included in the Technology Cost Savings for the DOT Director's Office, via central rate CR50, which offsets the transfer.

Program Changes

Human Resources Organization and Employee Development Manager & Position Upgrade –$285,382 / 1.00 FTE. This proposal requests a new position to coordinate organizational development and training. Specifically, this request funds a 1.00 FTE Program Project Manager IV who will function as the Organizational and Employee Development Program Manager. This position will design, develop, and manage a workforce development and training program that leads to the retention of a quality workforce and utilization of employees in an efficient, effective, and productive manner. This item also upgrades a Human Resource Analyst to a Human Resource Analyst Senior to match the body of work actually performed and provides resources for a training consultant for organizational and employee development.

Fuel Hedging Proposal – $250,000. This item provides funding to facilitate Transit's purchase of fuel futures and options on publicly traded exchanges in the event that approval of such futures purchasing is adopted by the

Executive and County Council. Futures purchases will reduce Metro Transit's exposure to fuel price volatility and increase budget certainty. Fuel futures are financial instruments widely used in the private sector to reduce price risk; many transit agencies also have similar programs. Transaction costs are minimal, the instruments are highly liquid, and counterparty risk is avoided.

Service Development Reorganization – $34,719. This proposal is to reorganize staff within the Service Planning, Research, and Management Information and Scheduling work groups to create a new work group assigned to long-range planning and performance management. This new work group will develop, create and manage Metro’s internal and external transit system data reporting such as that for the National Transit Database, transit management team performance reports, transit budget inputs for service hours, coaches and miles traveled, and Metro Online system performance information. Additionally, this group will carry out the work program included in Metro’s Strategic Plan including annual Service Guidelines review, reporting, and modification; special topic reports to the Council and the Executive; regional transportation system planning and special planning exercises.

Service Development Staffing Alignment – $53,005 / 0.25 FTE. This proposal adjusts staffing within the Service Development Section. Specifically, Market Development is requesting an increase to an existing part-time FTE to appropriately manage projects funded by state and federal grants, including construction mitigation on SR 99 and other corridors, promotion and marketing of Rapid Ride service, support of tolling on SR 520, public education in response to changes to the transit network, and projects associated with Urban Centers Access grant. The Scheduling group is requesting an increase of 0.40 FTE to support increased reporting requirements per the transit audit. Service Planning is proposing the elimination of a vacant 0.30 FTE position.

ORCA Card Expansion Support – $2,167,778. This package adds funds for the expanded use of the ORCA card. In addition, the associated equipment and software warranty expire at the end of 2011, resulting in additional charges per the terms of the contract. Approximately $1.5 million of these costs are associated with Transit’s functions as the Regional Inventory and Distribution Center, handling the procurement, inventory management and distribution of blank card stock to ORCA partners throughout the region. The partners reimburse approximately 35 percent of the expense for both card stock and labor.

Integrated Business Systems Operations Staff Alignment – $288,277 / 4.00 FTE / (3.00) TLT. This change item realigns staffing to address the need to provide day-to-day operating support for Transit’s newly implemented business systems – ORCA, On-board system (OBS) and Intelligent Transportation systems (e.g., Regional Signal Priority, Real Time Information). The enterprise systems that Transit has installed over the past decade have integrated processes and data. The data generated by these systems is created through a series of integrated processes that are all required in order for a bus to have the information required before leaving the operating base. The new Transit Business Systems Operations Support group will ensure consistency by having process owners that will function as the Business Analyst responsible for ensuring that the data and processes operate in a manner that does not disrupt Transit operations. This item includes the reclassification of one FTE from the IT group to a Communications Coordinator in the operations section to support active service management as well as the transfer of an IT System Specialist Senior position from the DOT Director’s Office that was fully funded by the Public Transportation Operating sub-fund. As such, it does not increase the total operating expense of the Public Transportation Operating sub-fund.

Radio System O&M Cost Adjustment – $585,534. This request provides the necessary operating support for the new radio system. Radios are being installed in coaches and non-revenue vehicles, and the system will be fully operational in 2012. This change item moves necessary radio equipment support from capital to operating, funds the maintenance of additional new system sites and communication consoles, eliminates capital support for TLTs in 2013 as the development project ends, funds the repair of radios, funds the extension of the infrastructure warranty, shifts radio tower expenses from capital to operating, and supports the update of the radio system software.

Transfer of Environmental Monitoring to Operating/Adjustment of Allocation Contra – $387,015 / 1.00 FTE / (1.00) TLT. This proposal makes necessary changes to the Design and Construction cost center. It shifts the funding of environmental monitoring and oversight from capital to operating. As the environmental monitoring and oversight effort doesn't result in an asset, it fails to meet the capitalization policy. In addition, the allocation of supervisor/administrative support labor and general business charges is updated for changes in the budget due to COLA, benefit rates and other changes. This change updates the expense projected to be assigned to the capital program.

Transit Operating Systems Support and Maintenance – $728,845. This change item funds the ongoing maintenance and warranty associated with the on-board systems project which not only provide equipment for every vehicle in Transit's fleet but also provided a set of vendor-supplied business systems which require ongoing maintenance. In addition, some adjustments are needed for the Trip Planning System and some costs are shifted between accounts in line with the IT reorganization.

Capitalization Policy Alignment Shifting Costs from Capital to Operating – $853,804. This proposal shifts the budget for capital projects less than $50,000 to the operating program. The projects shifting from capital to operating are primarily paving and Park & Ride major maintenance. As part of the capitalization policy, this proposal shifts a Construction Management III position (0.65 FTE) in Transit's Design and Construction Section from capital to operating. The position acts as project manager and contract administrator for projects that are traditionally under the $50,000 limit.

Regulatory Changes Associated with Arc Flash Protection and Electrician Protective Clothing – $428,076. National Fire Protection (NFPA) code 70E requires Arc Flash protective clothing whenever an electrical panel door is opened. Currently, employees open the panel door and use a thermal imaging camera to detect any hot spots in the wiring. Under NFPA 70E, the employees will have to don flash protective safety clothing prior to opening the panel door. There are 47 electrical panel doors affected by the NFPA 70E regulation; they are inspected monthly. This request is to install a fisheye lens window in each panel door and purchase a fisheye lens for the thermal imaging camera. This will enable employees to examine the panel wiring for any hot spots without opening the panel door. Also, uniform laundry service cost increases are included in this change item in response to the regulatory requirement related to specialized uniforms for electronic technicians.

Transit Security Cost Adjustment – $3,716,388 / 1.00 FTE. This proposal implements changes to security that were developed as part of a comprehensive review of security needs. This proposal includes (1) additional costs associated with KCSO officers resulting from wage and other changes, (2) addition of an FTE to replace a temporary position associated with managing the security guard contracts, and (3) additional officers associated with the COPS grant and the Joint Transit Anti-Terrorism Team as well as training on the national Incident Management system and other grant funded training.

New Facilities Support – $219,129 / 1.00 FTE. This proposal requests additional funds for (1) operation of the new 43,000 square foot Central-Atlantic Operations building opening mid-year 2011, (2) maintenance of two passenger stations along SR520, and (3) increased costs associated with a multi-level parking garage. This request also includes the hiring 1.00 FTE custodian for the Central-Atlantic base.

Additional Cash Counting Support – $150,000. This proposal requests increased spending authority for the Transit Revenue Processing Center for loan in labor to address the need for additional detailed drivers to help prepare and process farebox cash for deposit. Washington State Law and King County policy require that these funds be deposited in a timely fashion. Since the implementation of Orca in 2009, the number of bus trips paid by cash has decreased but the overall cash received through the farebox has increased, in large part due to fare increases.

Energy Plan Implementation – $400,000. The purpose of this request is to implement the energy conservation plan through energy audits and real-time data monitoring to enable compliance with King County, City of Seattle, and federal energy reduction requirements. Specifically, this program will fund the following activities during the biennium: the shift of a previously capital-funded position to the operating program to support efforts that no longer meet the county's capitalization thresholds; consultant services for two to three energy audits per year; program management and implementation for activities related to green building, sustainability, energy consumption monitoring, and resource conservation; and the installation of sub-metering at all operating facilities.

Mandated Spill Response Training – $288,904 / 1.00 TLT. This proposal requests the addition of a Project Program Manager IV TLT for two years to develop and implement a Hazardous Materials Spill Response management program for the Metro Transit Division. This program will be developed in compliance with the new state-approved Hazardous Materials Awareness training program and new National Incident Management System (NIMS) regulations involving increased coordination with first responders. This work involves developing and conducting incident command training, hazardous materials training, and participating in related exercises for Metro employees.

Transit Incentive Program – $840,341. This change item implements the Transit incentive program mandated by the ordinance enacting the Congestion Reduction Charge. On August 15, 2011, the County Council passed Ordinance 17169 that required the development of a two-year Transit incentive program to run concurrently with the collection of the Congestion Reduction Charge. The incentive program is intended to provide vehicle owners with the opportunity to receive transit ridership incentives in the form of free ride tickets. Free Ride Tickets are to be distributed to each household upon request. This package provides funding for the administration of the program and production and distribution of free ride tickets. It is estimated that 20 percent of the households receiving the offer will take advantage of it for their own personal use and 10 percent of the households receiving the offer will donate their tickets to a local Human Services agency. It is also estimated, based on previous experience with promotional programs, that not all of the Free Ride Tickets distributed to individuals will be used, and that only a portion of those tickets will actually take the place of rides that would have been paid by cash or through the purchase of a pass. It is anticipated that 100 percent of the tickets donated to Human Service Agencies will be used and will result in lost revenue from the Human Service ticket program. Estimated lost revenue for the biennium totals $3.75 million. Details of the incentive program will be confirmed in an implementation plan due to Council on November 1, 2011.

Elimination of Ride Free Area – $162,390. This change supports the elimination of the Ride Free Area per Ordinance 17169 passed by the County Council on August 15, 2011 in association with passage of the Congestion Reduction Charge. The ordinance states that "The executive is requested to discontinue the downtown Seattle ride free area by October 2012, and to develop and submit to council by May 2012 an implementation plan to guide the elimination of the ride free area." In order to meet the requirements of this ordinance, a number of one-time costs will be incurred. Activities that will take place in 2012 include: adjusting service schedules to accommodate the additional travel time for riders to pay on entry in downtown Seattle; modifying existing customer information materials including signs, schedules, maps, posters, etc; providing additional operator training and funding law enforcement support during the transition; educating the public about the changes; and modifying data inputs to a variety of operating systems. This change will result in additional revenue of approximately $800,000 in 2012 and $2.5 million in 2013.

Service Guidelines Implementation – $0. This proposal supports Ordinance 17169 associated with the passage of the Congestion Reduction Charge, which states "Proceeds from the congestion reduction charge must be expended in a manner consistent with the recommendations of the 2010 regional transit task force, the King County Strategic Plan for Public Transportation 2011-2021 and the previously adopted congestion reduction plan, which prioritize improving the productivity of Metro transit services. At a minimum for the period in which the congestion reduction charge is imposed, one hundred thousand of the lowest productivity service hours shall be reduced or restructured and the resulting service hour savings reinvested…priority for the reinvestment of service hours shall be given first to existing service quality issues, including those related to tolling, followed by investments in underserved corridors." By reinvesting resources in high productivity service, ridership is projected to increase by 460,000 in 2012 with a fare impact of $565,000. When fully annualized in 2013, projected ridership growth is 552,000 with a fare impact of $678,000.

Revenue Backed Changes

Link Contract Changes – $1,028,339 / 2.00 FTE. This change item contains adjustments to the budget consistent with contractual obligations in the Sound Transit contract. Metro's Rail Section is the operator of Central Link under contract with Sound Transit. No significant changes to the level of service are proposed. This request includes the addition of a rail track and ROW maintainer position, a rail station custodian, and two electro-mechanics in 2013; an increase in rail chief overtime and a decrease in rail operator overtime; adjustment to various non-labor costs; and a 2 percent contingency to fund any additional unfunded work that Sound Transit may request. All expenditures are fully reimbursed according to the Intergovernmental Agreement signed between Sound Transit and King County.

South Lake Union Service Changes – $192,514. This proposal reallocates budget authority within the South Lake Union operating budget to better match budget with expense and includes costs associated with an increase of 15.5 service hours per week. The additional work, which includes additional operator time, maintenance, parts, and administrative support costs, is fully reimbursed by the City of Seattle.

Market Development Operating Grants – $2,479,129. This request reflects grants that have been or will be submitted in 2011 for the 2012 / 2013 biennium. Grants supporting outreach, provision of incentives, material production, and Transit Demand Management strategies to reduce drive-alone travel. This item also funds a community van program to transport welfare and low-income clients to training or employment sites. This work is backed by grant revenue over the biennium.

Reimbursed Activities – $841,492 / 6.00 TLTs. This change item provides funding to hire a term-limited, large line crew to support the City of Seattle's construction of the First Hill Streetcar Trolley route. The First Hill Streetcar Trolley project will affect the overhead wire and crossovers at 34 intersections and impacts changes/modifications at 90 locations. These activities are fully reimbursed over the biennium.

Central Rate Changes

Central Rate Adjustments – $3,693,487. This series of adjustments captures the net effect of countywide charges from the 2011 Adopted Budget, plus supplemental, and results in a $3,693,487 increase in charges to Transit. Details about each rate can be found in the How We Deliver Introduction, beginning on page H-5, and the agency-specific changes are detailed in the central rate section of the agency crosswalk.

Technical Adjustments

Technical Adjustments – $870,069 / (0.33) FTEs. This change item makes several technical adjustments to the budget including: increases in various utility rates, taxes, and maintenance/service costs; reclassification of three Transportation Planner III positions to Transportation Planner IVs in recognition of their expertise and work responsibilities; a reduction in planned spending for the Home Free Guarantee; elimination of a part-time position associated with new employee training and an increase in an existing part-time position in the customer information technology work group; minor or net zero changes to align budget with expenditures; and net zero changes to move Trolley Power and South Lake Union overhead electric charges from Power & Facilities to Vehicle Maintenance and the South Lake Union group to simplify allocation of electricity costs. This change is associated with a reduction in revenue of $60,000 over the biennium for the Home Free Guarantee program.

Transit Division Loan Out Labor Adjustments – ($703,232). This request is a technical adjustment to align wages and benefits in 2012 / 2013 with anticipated operating labor to be loaned out to Transit capital projects.

Revenue Adjustments – $157,599,501 Revenue. This change item makes adjustments to various revenue accounts, including funding provided by the congestion reduction charge, a significant increase in the allocation of federal grant funding to the operating budget, and material increases in property taxes, sales tax, Access revenues, regional pass revenue, vanpool/vanshare revenue, and adult day health paratransit. Material decreases in revenue are included for Sound Transit Service, partnership match, and mitigation services. With regard to the federal grant funding, prior to 2010, federal preventative maintenance grant resources were allocated 100 percent ($50 million per year) to the Revenue Fleet Replacement Fund (RFRF). In 2010/2011, these resources were allocated to the capital program. In 2012/2013, half of these resources will be allocated to operating and the other half will be allocated to the RFRF.

2012 and 2013 COLA Salary Adjustments – $227,340. These change items adjust applicable accounts for revised COLA estimates for 2012 and 2013.

2012 Porposed Financial Plan
Public Transportation Enterprise Fund [7]

	2010	2011	2011	2012	2013	2014	2015
	Actual[1]	Adopted	Estimated [2]	Proposed	Proposed	Projected [3]	Projected [3]
Beginning Fund Balance	388,291,903	406,830,109	486,836,668	452,173,198	401,592,233	423,953,762	343,895,478
Revenues							
Fares (Bus, ACC, VP, SLU) [5]	125,829,372	139,364,341	143,977,587	149,654,862	153,473,726	168,317,317	166,959,254
Other Operations Revenue	10,611,520	8,240,105	11,051,313	11,069,126	12,200,174	13,795,451	14,431,044
Sales Tax	373,092,691	406,073,939	397,946,927	411,906,300	429,226,559	452,092,695	479,674,893
Property Tax	21,763,539	21,791,561	22,397,235	24,275,638	24,676,279	25,099,339	25,578,310
Congestion Relief Charge	0	0	0	13,174,530	26,349,058	13,174,530	0
Interest Income	4,541,802	5,706,250	1,569,027	1,532,572	1,092,360	1,138,343	3,992,280
Grants	62,851,439	148,712,438	186,706,349	129,209,653	102,576,074	87,931,476	81,614,566
Sound Transit Payments	74,563,569	82,936,679	69,580,903	71,061,401	74,694,852	76,809,913	79,652,713
Support of Other KC Divisions	2,894,518	3,469,770	3,611,351	2,962,717	2,177,620	2,232,061	2,287,862
Miscellaneous	9,957,900	60,144,130	24,198,904	20,361,245	16,476,439	32,881,938	11,456,282
Total Revenues	686,106,350	876,439,213	861,039,596	835,208,043	842,943,141	873,473,062	865,647,206
Total Biennial Revenues					1,678,151,185		1,739,120,268
Expenditures							
Transit	(574,500,521)	(622,989,091)	(608,506,463)	(644,167,276)	(674,816,254)	(683,969,641)	(693,058,755)
Transit Administration	(12,076,680)	(13,709,260)	(13,885,169)	(5,802,222)	(6,007,851)	(6,285,179)	(6,514,879)
Capital	(85,707,257)	(253,873,703)	(329,456,349)	(225,126,957)	(130,016,100)	(268,242,534)	(123,669,089)
Debt Service	(15,207,160)	(16,780,719)	(17,004,838)	(17,001,343)	(16,992,021)	(17,010,724)	(16,999,398)
Total Expenditures	(687,491,617)	(907,352,773)	(968,852,819)	(892,097,798)	(827,832,225)	(975,508,078)	(840,242,121)
Total Beinnial Expenditures					(1,719,930,023)		(1,815,750,198)
Estimated Under expenditures							
Operating Program	0	5,918,984	7,937,724	6,499,695	6,808,241	6,902,548	6,995,736
Capital Program	0	1,490,745	48,050,011	(2,594,580)	(2,368,658)	12,658,591	(29,663,844)
Total Estimated Under expenditures	0	7,409,729	55,987,735	3,905,115	4,439,584	19,561,139	(22,668,108)
Other Fund Transactions							
Debt Proceeds	27,572,900	0	0	0	0	0	0
Misc Balance Adjustments	72,357,132	2,546,334	17,162,018	2,403,675	2,811,029	2,415,593	2,849,611
Annual Contribution to Balance Operating Fund							
Annual Increment to Rebuild Target Fund Balance							
Total Other Fund Transactions	99,930,032	2,546,334	17,162,018	2,403,675	2,811,029	2,415,593	2,849,611
Total Beinnial Other Fund Transactions					5,214,704		5,265,205
Ending Fund Balance	**486,836,668**	**385,872,612**	**452,173,198**	**401,592,233**	**423,953,762**	**343,895,478**	**349,482,066**
Reserves & Designations							
Operating Management Policy	24,100,000	26,200,000	25,577,738	26,711,075	27,979,073	56,733,273	57,499,203
Revenue Stabilization Reserve [6]	24,363,804	10,405,144	37,599,690	42,938,862	52,068,962	21,036,000	28,839,000
Capital Management Policy	500,000		500,000	2,500,000	2,500,000	2,500,000	2,500,000
RFRF Management Policy	263,106,205	188,958,462	194,007,878	153,910,168	140,903,264	82,041,699	113,813,380
Bond Reserves	0		16,803,303	17,072,247	17,375,113	17,653,971	17,958,570
Total Reserves & Designations	312,070,009	225,563,606	274,488,609	243,132,351	240,826,411	179,964,942	220,610,152
Ending Undesignated Fund Balance	174,766,659	160,309,006	177,684,588	158,459,882	183,127,351	163,930,536	128,871,914
Financial Policy Target Balance [4]	**331,390,648**	**166,851,764**	**236,888,919**	**200,193,490**	**188,757,449**	**186,390,088**	**191,771,153**

Financial Plan Notes:

[1] 2010 Actuals are from the 14th month.

[2] 2011 estimated is updated based on 2010 actuals.

[3] 2014-2015 projections are based on future assumptions concerning service levels and the supporting CIP.

[4] The Operating Target Fund Balance for 2010 through 2013 is at 15 days, half the adopted policy of a 30 day reserve. Other target fund balances are based on formulae in the 2012 proposed financial policies.

[5] Bus and ACCESS Fares were increased in 2011 and assumed to increase in 2014, 2016 and 2018.

[6] The Revenue Stabilization Reserve is created based on the criteria included in the 2012 proposed fund management policies.

[7] The 2012/2013 proposed financial plan has been generated using the new Transit Financial Model.

2012 Proposed Financial Plan
Public Transportation Operating Sub-Fund [7]

	2010	2011	2011	2012	2013	2014	2015
	Actual[1]	Adopted	Estimated [2]	Proposed	Proposed	Projected [3]	Projected [3]
Beginning Fund Balance	38,864,079	24,600,318	48,463,804	63,177,429	69,649,937	80,048,034	77,787,929
Revenues							
Bus Fares [5]	116,250,328	130,013,657	132,866,184	136,766,664	140,266,771	154,017,333	152,627,892
ACCESS Fares	3,132,091	2,727,500	3,413,324	4,071,219	4,229,251	4,505,312	4,603,343
Vanpool Fares	5,864,042	6,253,717	6,628,045	7,686,031	7,840,326	8,607,313	8,530,169
South Lake Union	582,911	369,467	1,070,034	1,130,948	1,137,378	1,187,359	1,197,850
Other Operations Revenue	10,611,520	8,240,105	11,051,313	11,069,126	12,200,174	13,795,451	14,431,044
Sales Tax	279,819,518	304,555,454	298,460,195	308,929,725	321,919,919	339,069,521	359,756,170
Property Tax	21,763,539	21,791,561	22,397,235	24,275,638	24,676,279	25,099,339	25,578,310
Congestion Relief Charge	0	0	0	13,174,530	26,349,058	13,174,530	0
Payments from Sound Transit	71,540,703	78,442,049	65,086,273	66,568,896	70,209,842	72,319,780	75,169,210
Support of Other KC Divisions	2,894,518	3,469,770	3,611,351	2,962,717	2,177,620	2,232,061	2,287,862
Operating Grants	6,432,405	7,401,415	6,219,289	33,885,903	32,984,657	33,055,498	33,206,416
Interest	299,742	298,013	237,211	159,833	131,048	235,475	993,014
Miscellaneous	2,397,274	18,156,066	6,408,089	9,261,082	8,566,638	1,355,798	444,709
Total Revenues	521,588,591	581,718,774	557,448,543	619,942,312	652,688,961	668,654,770	678,825,989
Total Biennial Revenues					1,272,631,272		1,347,480,759
Expenditures							
Transit [8]	(574,500,521)	(622,989,091)	(608,506,463)	(644,167,276)	(674,816,254)	(683,969,641)	(693,058,755)
Transit Administration	(12,076,680)	(13,709,260)	(13,885,169)	(5,802,222)	(6,007,851)	(6,285,179)	(6,514,879)
Total Expenditures	(586,577,200)	(636,698,351)	(622,391,632)	(649,969,498)	(680,824,105)	(690,254,820)	(699,573,633)
Total Biennial Expenditures					(1,330,793,603)		(1,389,828,453)
Estimated Under expenditures	0	5,918,984	7,937,724	6,499,695	6,808,241	6,902,548	6,995,736
Operating Fund Transactions							
Misc Balance Adjustment	18,658,131		4,814,990	0	0	0	0
Transfer from Capital Program	35,587,203	29,683,418	48,972,000	0	0	12,437,396	22,439,059
Transfer from Revenue Fleet Replacement	20,343,000	31,382,000	17,932,000	30,000,000	31,725,000	0	0
Year-End: Available for Capital Appropriation	0		0	0	0	0	0
Year-End: RSR/Capital Transfers	0		0	0	0	0	0
Total Other Fund Transactions	74,588,334	61,065,418	71,718,990	30,000,000	31,725,000	12,437,396	22,439,059
Total Biennial Other Fund Transactions					61,725,000		34,876,455
Ending Fund Balance	**48,463,804**	**36,605,143**	**63,177,429**	**69,649,937**	**80,048,034**	**77,787,929**	**86,475,080**
Reserves & Designations							
Revenue Stabilization Reserve [6]	24,363,804	10,405,144	37,599,690	42,938,862	52,068,962	21,036,000	28,839,000
Operating Policy Minimum Balance	24,100,000	26,200,000	25,577,738	26,711,075	27,979,073	56,733,273	57,499,203
Total Reserves & Designations	48,463,804	36,605,144	63,177,429	69,649,937	80,048,034	77,769,272	86,338,202
Ending Undesignated Fund Balance	0	(1)	0	0	0	18,656	136,878
Financial Policy Target Balance [4]	**24,100,000**	**26,168,302**	**25,577,738**	**26,711,075**	**27,979,073**	**56,733,273**	**57,499,203**

Financial Plan Notes:

[1] 2010 Actuals are from the 14th month.

[2] 2011 estimated is updated based on 2010 actuals.

[3] 2014-2015 projections are based on future assumptions concerning service levels and the supporting CIP.

[4] The Operating Target Fund Balance for 2010 through 2013 is at 15 days, half the adopted policy of a 30 day reserve.

[5] Bus and ACCESS Fares were increased in 2011 and assumed to increase in 2014, 2016 and 2018.

[6] The Revenue Stabilization Reserve is created based on the criteria included in the 2012 proposed fund management policies.

[7] The 2012/2013 proposed financial plan has been generated using the new Transit Financial Model.

[8] The value provided here includes $2,668,641 in estimated debt service payments for 2013 and beyond. This value has not been incorporated in the budget system for 2013.

2012 Proposed Financial Plan
Public Transportation Capital Sub-Fund [5]

	2010 Actual[1]	2011 Adopted	2011 Estimated [2]	2012 Proposed	2013 Proposed	2014 Projected [3]	2015 Projected [3]
Beginning Fund Balance	103,236,072	124,738,931	159,486,736	178,181,093	160,947,064	177,263,163	166,400,554
Revenues							
Sales Tax	39,960,205	84,474,713	76,794,200	13,041,418	56,037,505	8,115,130	38,251,752
Interest Income	1,403,990	2,270,237	569,816	676,903	264,148	782,204	1,804,551
Sound Transit Payments	3,022,866	4,494,630	4,494,630	4,492,505	4,485,010	4,490,133	4,483,503
Capital Grants	56,419,034	141,311,023	180,016,528	69,853,219	44,120,886	29,405,445	22,937,618
Miscellaneous	7,560,626	41,988,063	17,790,815	11,100,163	7,909,802	31,526,139	11,011,573
Total Revenues	108,366,721	274,538,666	279,665,989	99,164,207	112,817,350	74,319,051	78,488,998
Total Biennial Revenues					211,981,557		152,808,049
Expenditures							
Capital Program Expenditures	(85,707,257)	(253,873,703)	(329,456,349)	(225,126,957)	(130,016,100)	(268,242,534)	(123,669,089)
Total Expenditures	(85,707,257)	(253,873,703)	(329,456,349)	(225,126,957)	(130,016,100)	(268,242,534)	(123,669,089)
Total Beinnial Expenditures					(355,143,057)		(391,911,623)
Estimated Under expenditures	0	1,490,745	48,050,011	(2,594,580)	(2,368,658)	12,658,591	(29,663,844)
Other Fund Transactions							
Miscellaneous Fund Balance Adj.	30,770,223	1,640,468	11,168,536	1,219,409	1,620,866	1,219,409	1,647,278
RFRF Funds for Fleet Replacement	26,042,440	57,332,170	57,332,170	109,197,892	33,356,640	180,714,270	59,561,139
Lease and Prepaid Lease Offset	0	905,866	906,000	906,000	906,000	906,000	906,000
Transfers (to) from RFRF	0		0	0	0	0	0
Transfer (to) from Operating Sub-fund	(35,587,203)	(29,683,418)	(48,972,000)	0	0	(12,437,396)	(22,439,059)
Transfers (to) from Bond Sub-fund	(15,207,160)	(16,780,719)	0	0	0	0	0
Debt Proceeds	27,572,900		0	0	0	0	0
Short-term RFRF Loan	0		0	0	0	0	0
RFRF Loan Repayment	0		0	0	0	0	0
Year End: Op Available for Capital Approp	0		0	0	0	0	0
Total Other Fund Transactions	33,591,200	13,414,367	20,434,706	111,323,301	35,883,506	170,402,283	39,675,358
Total Biennial Other Fund Transactions					147,206,807		210,077,641
Ending Fund Balance	**159,486,736**	**160,309,006**	**178,181,093**	**160,947,064**	**177,263,163**	**166,400,554**	**131,231,976**
Reserves & Designations							
Capital Policy Minimum Balance	500,000	-	500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total Reserves & Designations	500,000	-	500,000	2,500,000	2,500,000	2,500,000	2,500,000
Ending Undesignated Fund Balance	158,986,736	160,309,006	177,681,093	158,447,064	174,763,163	163,900,554	128,731,976
Financial Policy Target Balance[4]	**500,000**	**500,000**	**500,000**	**2,500,000**	**2,500,000**	**2,500,000**	**2,500,000**

Financial Plan Notes:

[1] 2010 Actuals are from the 14th month.

[2] 2011 estimated is updated based on 2010 actuals.

[3] 2014-2015 projections are based on future assumptions concerning service levels and the supporting CIP.

[4] Target Fund Balance is based on formulae established in the 2012 proposed fund management policies.

[5] The 2012/2013 proposed financial plan has been generated using the new Transit Financial Model.

2012 Proposed Financial Plan
Public Transportation Revenue Fleet Replacement Sub-Fund [6]

	2010 Actual[1]	2011 Adopted	2011 Estimated [2]	2012 Proposed	2013 Proposed	2014 Projected [3]	2015 Projected [3]
Beginning Fund Balance	246,191,752	257,490,860	263,106,205	194,007,878	153,910,168	149,273,338	82,041,699
Revenues							
Sales Tax	53,312,968	17,043,771	5,403,843	73,404,346	34,747,646	88,361,966	65,138,105
Interest	2,838,070	3,138,000	762,000	695,836	697,164	120,665	1,194,716
Grants: Section 5307 Preventive Maintenance	0		0	25,000,000	25,000,000	25,000,000	25,000,000
Other Income	0		0	0	0	0	0
Total Revenues	56,151,038	20,181,771	6,165,843	99,100,182	60,444,810	113,482,631	91,332,821
Total Biennial Revenues					159,544,992		204,815,451
Fund Transactions							
Appropriated							
Fleet Replacement Transfer to CIP	(26,042,440)	(57,332,170)	(57,332,170)	(109,197,892)	(33,356,640)	(180,714,270)	(59,561,139)
Transfer (to) from Capital Sub-fund	0		0	0	0	0	0
Transfer (to) from Operating Sub-fund	(20,343,000)	(31,382,000)	(17,932,000)	(30,000,000)	(31,725,000)	0	0
Unappropriated							
Short-term Loan to CIP	0		0	0	0	0	0
Short-term Loan to CIP Repayment	0		0	0	0	0	0
Balance Sheet Adjustments	7,148,855		0	0	0	0	0
Total Other Fund Transactions	(39,236,585)	(88,714,170)	(75,264,170)	(139,197,892)	(65,081,640)	(180,714,270)	(59,561,139)
Total Biennial Fund Transactions					(204,279,532)		(240,275,409)
Ending Fund Balance	**263,106,205**	**188,958,462**	**194,007,878**	**153,910,168**	**149,273,338**	**82,041,699**	**113,813,380**
Reserves & Designations							
RFRF Year-end Balance Calculation	306,790,648	140,683,462	194,007,878	153,910,168	140,903,264	109,502,844	113,813,380
Total Reserves & Designations	306,790,648	140,683,462	194,007,878	153,910,168	140,903,264	109,502,844	113,813,380
Ending Undesignated Fund Balance	(43,684,443)	48,275,000	0	0	8,370,074	(27,461,145)	0
Financial Policy Target Balance[4]	**306,790,648**	**140,683,462**	**194,007,878**	**153,910,168**	**140,903,264**	**109,502,844**	**113,813,380**

Financial Plan Notes:

[1] 2010 Actuals are from the 14th month.

[2] 2011 estimated is updated based on 2010 actuals.

[3] 2014-2015 projections are based on future assumptions concerning service levels and the supporting CIP.

[4] Target Fund Balance is based on formulae established in the 2012 proposed fund management policies.

[5] At 2009 year-end, $100 million is held in the fund balance for transfer to the operating from 2010 through 2013.

[6] The 2012/2013 proposed financial plan has been generated using the new Transit Financial Model.

2012 Proposed Financial Plan
Public Transportation Bond Sub-Fund [3, 4]

	2010 Actual[1]	2011 Adopted	2011 Estimated [2]	2012 Proposed	2013 Proposed	2014 Projected	2015 Projected
Beginning Fund Balance	0		15,779,923	16,806,798	17,085,064	17,369,227	17,665,297
Revenues							
Sales Tax	0		17,288,689	16,530,811	16,521,489	16,546,078	16,528,866
Federal Debt Service Subsidies	0		470,532	470,532	470,532	470,532	470,532
Total Revenues	0		17,759,221	17,001,343	16,992,021	17,016,610	16,999,398
Total Biennial Revenues					33,993,363		34,016,008
Expenditures							
Bond Debt Service Payments	(15,207,160)	(16,780,719)	(17,004,838)	(17,001,343)	(16,992,021)	(17,010,724)	(16,999,398)
Variable Debt Service Payments	0		0	0	0	0	0
Total Expenditures	(15,207,160)	(16,780,719)	(17,004,838)	(17,001,343)	(16,992,021)	(17,010,724)	(16,999,398)
Total Biennial Expenditures					(33,993,363)		(34,010,122)
Other Fund Transactions							
Transfers from Capital Sub-fund	15,207,160	16,780,719	0	0	0	0	0
Balance Sheet Adjustments	15,779,923		0	0	0	0	0
Sinking Fund Transfers	0		272,492	278,266	284,163	290,184	296,333
Total Other Fund Transactions	30,987,083	16,780,719	272,492	278,266	284,163	290,184	296,333
Total Biennial Other Fund Transactions					562,429		586,517
Ending Fund Balance	**15,779,923**	**0**	**16,806,798**	**17,085,064**	**17,369,227**	**17,665,297**	**17,961,630**
Reserves & Designations							
Annual Net Debt Service Reserve (One Year)	0		16,530,811	16,521,489	16,540,192	16,528,866	16,537,132
Sinking Bond Reserve	0		272,492	550,758	834,921	1,125,105	1,421,438
Total Reserves & Designations	-		16,803,303	17,072,247	17,375,113	17,653,971	17,958,570
Ending Undesignated Fund Balance	15,779,923		3,495	12,817	(5,886)	11,326	3,060
Target Fund Balance	**0**		**16,803,303**	**17,072,247**	**17,375,113**	**17,653,971**	**17,958,570**

Financial Plan Notes:

1 2010 Actuals are from the 14th month.

2 2011 forecast is updated based on 2010 actuals.

3 The 2012 proposed fund management policies segregate the bond fund activities from the capital fund.

4 The 2012/2013 proposed financial plan has been generated using the new Transit Financial Model.

2012/2013 Biennium Budget for

Transit Revenue Vehicle Replacement 4647/5002M

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	135,099,610	0.00	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(59,835,440)	0.00	0.00
SQ13	2013 Base Budget - $20,015,000 Revenue	75,264,170	0.00	0.00
		15,428,730	**0.00**	**0.00**
Technical Adjustments				
TA01	Transfer to Capital	27,890,192	0.00	0.00
TA02	Transfer to Operating	25,861,000	0.00	0.00
TA10	Revenue Adjustment - $119,514,992 Revenue	0	0.00	0.00
		53,751,192	**0.00**	**0.00**
	2012/2013 Biennium Budget	**204,279,532**	**0.00**	**0.00**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Transit Revenue Vehicle Replacement

PROGRAM HIGHLIGHTS

The Total 2012 / 2013 Proposed Budget for Transit Revenue Vehicle Replacement is $204,279,532.

Adjustments to Adopted Budget

2011 Service Levels Adjusted for 2012 Costs – ($59,835,440). Adjustments to the 2010 / 2011 Adopted Biennial Budget were made to incorporate inflation in labor and other select operating costs, to incorporate mid-biennial review supplemental changes, and to remove the 2010 portion of the budget to create a baseline for the 2012 budget. All of the adjustments result in a net decrease of ($59,835,440) from the 2010 / 2011 Adopted Biennial Budget.

2013 Base Budget – $75,264,170 / $20,015,000 Revenue. This change inflates the 2012 base budget to generate the 2013 base for the 2012 / 2013 biennial budget.

Technical Adjustments

Transfer to Capital – $27,890,192. This proposal supports Transit's replacement of fleet over the biennium as detailed in the capital program.

Transfer to Operating – 25,861,000. This proposal transfers funds from the Transit Revenue Vehicle Replacement fund to the operating fund per the findings of the Transit Performance Audit.

Revenue Adjustment – 119,514,992 (Revenue). This adjustment revises revenue accounts to match anticipated values.

Transit Capital Improvement Program

The purpose of the Public Transportation Fund Capital Program is to provide for the ongoing replacement of aging infrastructure and to support service delivery and expansion. A goal is to achieve the optimal set of capital assets in conjunction with service that best meet the Strategic Goals as presented in the Adopted King County Metro Transit Strategic Plan for Public Transportation 2011-2021. The strategic plan includes 8 goals that are aligned with the goals in King County's Strategic Plan[2]. In addition to the eight goals there are 32 strategies outlined in the plan that support objectives for each of the goals. The 2012-2017 Public Transportation Capital Improvement Program (CIP) appropriations are projected to total $839 million. This is in addition to $656 million that is currently appropriated for capital projects in 2011.

The CIP focuses on maintaining existing infrastructure and systems, partnering with other regional transportation agencies and providing the physical capacity needed to meet projected service. The priorities for the CIP come from the strategic plan and in many cases represent near term actions that are necessary to achieve the strategies, objectives and goals of the program. King County Metro's 2012/2013 Business plan discusses the near term actions that are associated with each of the strategies in the strategic plan. For example, increases to the Transit Asset Maintenance Program to address deferred maintenance and maintain assets in a state of good repair is a near term action of strategy 6.2.2, "Provide and maintain capital assets to support effective service delivery." Another example is the budget request to upgrade existing customer information systems. This proposal directly relates to strategy 5.2.1, "Use available tools, new technologies, and methods to improve communication with customers."

Due to reduced economic activity and the long term need to reduce bus service, the emphasis of the capital program continues to be replacement of existing infrastructure. In August, the King County Council passed a Congestion Relief Charge (CRC), which will increase the Vehicle License Fee by $20 over a two year period and raise approximately $50 million – enough revenue to stave off service reductions for the biennium. Over the six year period, however, King County Metro expects to reduce bus service in order to reach a sustainable level of service. The lower service levels combined with more efficient scheduling is reducing the need for replacement buses. The reductions in replacement buses were made in the current biennium and will continue in the 2012/2013 biennium. Most other new efforts, particularly Rapid Ride projects, have external funding. Even future federal grant funding is uncertain, as congress looks at ways to reduce the federal budget.

[2] For a complete comparison of the King County Strategic Plan versus the King County Metro Strategic Plan, see Metro's 2012/2013 Business Plan.

2012 Proposed Budget for

Cultural Development Authority 1170/0301

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	9,996,530	0.00	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	2,235,947	0.00	0.00
Revenue Backed Changes				
RB01	Lodging Tax Adjustment	904,057	0.00	0.00
RB02	1% for Art Expenditure Adjustment	(106,138)	0.00	0.00
		797,919	**0.00**	**0.00**
	2012 Proposed Budget	**13,030,396**	**0.00**	**0.00**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Independent Agencies

Cultural Development Authority

PROGRAM HIGHLIGHTS

The total 2012 Proposed Budget for the Cultural Development Authority (CDA) is $13,030,396 with no FTEs. The County transfers this funding to the CDA (referred to as "4Culture") through the CDA fund to support arts, cultural, and heritage programs. In addition, 4Culture is the steward of the County's art collection and runs the County's public art program, which is funded by the 1% for Arts legislation.
The majority of 4Culture funding is from the lodging tax, which is distributed based on input from the 4Culture board and consistent with county code.

Activities funded by the Cultural Development Authority fund align with the economic growth and built environment strategy, increase public engagement through community outreach and contracting with local artists, and support local cultural programs which generate an economic return to the community.

4Culture is committed to making King County stronger by supporting citizens and groups who preserve our shared heritage, and create arts and cultural opportunities for residents and visitors. Through the integration of four program areas — arts, heritage, preservation and public art — 4Culture works to: identify the needs of local communities and create unique programs that meet these needs; champion individual expression and community engagement; create and support a distinctive built environment; and work with artists and cultural organizations to offer culturally relevant solutions for our region.

Adjustments to the 2011 Adopted Budget

Adjustments to the 2011 Adopted Budget were made to adjust for revenue projections in March of 2012. All of the adjustments result in a net increase of $2,235,947 from the 2011 Adopted Budget.

Revenue Backed Changes

Lodging Tax Adjustment – $904,057 Expenditure / $904,057 Revenue. As a result of an overall increase in lodging tax forecasts provided by the Office of Economic and Financial Analysis (OEFA), the expenditure authority has been increased by $904,057. There is an additional 15 percent contingency built into the lodging tax to allow for a transfer of higher than expected lodging tax collections if needed.

1% for Art Expenditure Adjustment – ($106,138) Expenditure / ($106,138) Revenue. This decrease represents a decrease in contribution from King County capital funds to the public art program. Contributions are decreasing since there are fewer eligible capital projects in the 2012 Proposed Budget than in previous years. The year over year decrease is actually larger than $106,138; however this is offset by some revenue contributions from 2011 being carried over into 2012.

2012 Proposed Financial Plan
Cultural Development Authority Fund/1170

	2010 Actual [1]	2011 Adopted	2011 Estimated	2012 Proposed	2013 Projected [8]	2014 Projected [8]
Beginning Fund Balance	1,726,856	2,048,000	1,890,099	1,890,099	1,890,099	1,890,099
Revenues						
* Hotel/Motel Transient [2]	8,717,820	8,213,377	9,996,417	10,643,114	-	-
* Forecast Contingency Reserve [3]	-	1,026,672	1,026,672	1,596,467	-	-
* Interest Earnings	145,524	18,000	18,000	20,000	10,000	10,000
* General Fund Internal Support	237,470	200,470	200,470	204,439	210,572	216,889
* Contribution from Other Funds [4]	418,644	538,011	188,774	566,376	343,666	343,666
* North Lot Sale Proceeds			1,011,000			
Total Revenues	**9,519,458**	**9,996,530**	**12,441,333**	**13,030,396**	**564,238**	**570,555**
Expenditures						
* Appropriation for Transfer to CDA	(9,356,215)	(8,969,858)	(11,414,661)	(11,433,929)	(564,238)	(570,555)
* Forecast Contingency Reserve [3]		(1,026,672)	(1,026,672)	(1,596,467)	-	-
Total Expenditures	(9,356,215)	(9,996,530)	(12,441,333)	(13,030,396)	(564,238)	(570,555)
Estimated Underexpenditures [5]						
Other Fund Transactions						
Total Other Fund Transitions	-	-	-	-	-	-
Ending Fund Balance	1,890,099	2,918,390	1,890,099	1,890,099	1,890,099	1,890,099
Reserves & Designations [6]						
Total Reserves & Designations	-	-	-	-	-	-
Ending Undesignated Fund Balance	-	-	-	-	-	-
Target Fund Balance [7]	-	-	-	-	-	-

Financial Plan Notes:

[1] Actual revenue and expenditures are based on ARMS. Fund Balance is based on Balance Sheet.

[2] Hotel/Motel revenue projections for 2011, 2012, 2013, and 2014 are derived from OEFA estimates. The Hotel/Motel contribution to CDA ends in 2012.

[3] The Forecast Contingency Reserve is set at 15% of the Hotel/Motel revenue estimate.

[4] This revenue is derived from the eligible CIP projects as determined by the 1% Percent for Art program.

[5] There is no Underexpenditure required of this fund.

[6] As of 12/31/2010, there are $5,997,142 in prepayments from the county to 4Culture for art yet to be received, as well as carryover contributions from 2011.

[7] There is no target fund balance required for this fund.

[8] Beginning in 2013, 4Culture will fund the majority of operations with special account funds. This does not require an appropriation in Fund 1170.

2012 Proposed Budget for

Physical Environment GF Transfers 0010/0697

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	2,456,339	0.00	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	(38,629)	0.00	0.00
Program Changes				
PC01	DDES Abatement Manager	175,000	0.00	0.00
PC02	Dedicate GF Support for King County Forest Program	124,212	0.00	0.00
		299,212	**0.00**	**0.00**
Technical Adjustments				
TA01	DDES GF Transfer Adjustment	(378,750)	0.00	0.00
TA02	Water and Land Resource GF Transfer Adjustment	(16,368)	0.00	0.00
		(395,118)	**0.00**	**0.00**
	2012 Proposed Budget	**2,321,804**	**0.00**	**0.00**

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

Physical Environment General Fund Transfers

PROGRAM HIGHLIGHTS

The 2012 Proposed Budget includes $2,321,804 for the following General Fund Transfers to Physical Environment agencies: transfer to Surface Water Management (SWM): $653,441; transfer to the Department of Development and Environmental Services (DDES): $1,668,363; and transfer to Parks: $0.

Adjustments to Adopted Budget

Adjustments to the 2011 Adopted Budget were made to incorporate inflation in labor and other select operating costs. All of the adjustments result in a net decrease of ($38,629) from the 2011 Adopted Budget.

Program Changes

DDES Abatement Manager - $175,000. This change serves to move funding for the Abatement Manager position from DDES's Abatement Fund to the General Fund. With both the Abatement Manager and Prosecuting Attorney Office (PAO) expenditures charged to the Abatement Fund, the fund was stressed to accommodate these staffing charges and be able to perform the contracted abatement work the program is intended to accomplish. This change alleviates that financial stress on the Abatement Fund and ensures its financial sustainability.

Dedicate GF Support for King County Forest Program – $124,212. This adjustment reflects General Fund support to retain a 0.5 FTE in the Forestry Program to coordinate an expanded version of the Stewardship in Action program, and provide on-site technical assistance, workshops and referrals to funding sources. The 0.5 FTE is within the base budget of the SWM request. This adjustment adds budget for WSU Extension to provide two annual classes for landowners and workshops for forestry consultants and labor contractors. The classes and workshops will assist planning forest management and restoration activities, help landowners find funding and resources to connect the landowners with the forestry consultants. The King County Forestry Program will use the Puget Sound Fresh website and Cascade Harvest Coalition's marketing program to promote forest products as well.

Technical Adjustments

DDES GF Transfer Amount – ($378,750). This reduction in General Fund is a 2012 anticipated outcome of DDES' implementation of the Permit Integration project. The technical adjustments that served to realign revenues from DDES's Land Use and Building Services Divisions into its Administrative Services Division, and the accompanying business process changes, create the efficiency.

Water and Land Resources GF Transfer Amount – ($16,368). WLRD worked with employees from all levels and within each section to identify opportunities for efficiencies. The adjustment is largely due to King County Ordinance 17052 which streamlined public notice requirements for the Public Benefit Rating System.

ECONOMIC GROWTH AND BUILT ENVIRONMENT STRATEGIC PLAN AREA

	2010 Adopted Expenditures	FTEs	2011 Adopted Expenditures	FTEs	2012 Proposed Expenditures	FTEs
COMMUNITY AND HUMAN SERVICES						
EMPLOYMENT AND EDUCATION RESOURCES	$ 12,082,888	55.78	$ 10,361,128	60.28	$ 11,353,332	55.28
FEDERAL HOUSING AND COMMUNITY DEVELOPMENT	21,268,410	34.50	20,868,971	35.50	18,895,115	35.50
	33,351,298	**90.28**	**31,230,099**	**95.78**	**30,248,447**	**90.78**
DEVELOPMENT AND ENVIRONMENTAL SERVICES (DDES)*						
DEVLOPMENT AND ENVIRONMENTAL SERVICES	21,893,985	147.50	19,249,770	116.50	29,897,421	95.60
DDES ABATEMENTS	-	-	-	-	556,042	-
TIGR MT COMM FND RES ACCT	20,000	-	-	-	-	-
	21,913,985	**147.50**	**19,249,770**	**116.50**	**30,453,463**	**95.60**
NATURAL RESOURCES AND PARKS						
KC FLOOD CONTROL CONTRACT	35,587,657	34.00	34,602,422	34.00	34,773,830	40.00
INTER-COUNTY RIVER IMPROVEMENT	50,000	-	50,000	-	50,000	-
RIVER IMPROVEMENT	15,000	-	64,000	-	-	-
PARKS AND RECREATION	27,825,262	170.99	29,184,939	173.38	30,539,214	179.88
EXPANSION LEVY	18,424,234	-	19,194,402	-	19,493,105	-
YOUTH SPORTS FACILITIES GRANT	615,352	1.00	825,368	1.00	771,363	1.00
	82,517,505	**205.99**	**83,921,131**	**208.38**	**85,627,512**	**220.88**
TRANSPORTATION*						
DOT DIRECTOR'S OFFICE	26,581,928	92.15	26,581,928	92.15	11,810,072	30.90
AIRPORT	28,315,564	46.00	28,315,564	46.00	29,709,006	46.00
AIRPORT CONSTRUCTION TRANSFER	8,500,000	-	8,500,000	-	7,700,000	-
MARINE DIVISION	18,427,469	18.96	18,427,469	19.96	28,002,082	21.96
ROADS	179,386,288	588.55	179,386,288	588.55	155,027,751	483.75
ROADS CONSTRUCTION TRANSFER	72,397,784	-	72,397,784	-	59,396,833	-
STORMWATER DECANT PRGM	1,236,737	-	1,236,737	-	724,719	-
TRANSIT	1,208,870,057	4,030.07	1,208,870,057	4,030.07	1,316,314,891	3,940.95
TRANSIT REVENUE VEHICLE REPLACEMENT	135,099,610	-	135,099,610	-	204,279,532	-
	1,678,815,437	**4,775.73**	**1,678,815,437**	**4,776.73**	**1,812,964,886**	**4,523.56**
INDEPENDENT AGENCIES AND TRANSFERS						
CULTURAL DEVELOPMENT AUTHORITY	11,889,836	-	9,996,530	-	13,030,396	-
PHYSICAL ENVIRONMENT GF TRANSFERS	2,390,130	-	2,456,339	-	2,321,804	-
	14,279,966	**-**	**12,452,869**	**-**	**15,352,200**	**-**
TOTAL ECONOMIC GROWTH AND BUILT ENVIRONMENT	**$ 1,830,878,191**	**5,219.50**	**$ 1,825,669,306**	**5,197.39**	**$ 1,974,646,508**	**4,930.82**

*Department of Transportation (DOT) is a biennial budget for 2010/2011 and DOT and DDES are a biennial budget for 2012/2013.

Economic Growth and Built Environment
by Budget Transparency Section

	APPRO NAME	SECTION NAME	2012 Proposed Expenditures	2012 Proposed Revenues	2012 Proposed FTEs	2012 Proposed TLTs
32 DDES						
0325	Development and Environmental Services					
	0325.3400	DDES Director's Office	2,130,312	105,000	8.00	
	0325.3408	DDES Administrative Services	10,025,628	10,702,947	8.00	3.00
	0325.3424	DDES Building Services	9,737,541	9,871,837	44.00	
	0325.3450	DDES Land Use Services	8,003,940	7,511,216	35.60	
	Development and Environmental Services Total		29,897,421	28,191,000	95.60	3.00
0525	Development and Environmental Services Abatement Fund		556,042	591,000		
32 DDES Total			30,453,463	28,782,000	95.60	3.00
38 Natural Resources & Parks						
0355	Youth Sports Facilities Grants		771,363	728,000	1.00	
0561	King County Flood Control Contract		34,773,830	34,773,830	40.00	
0640	Parks and Recreation		30,539,214	26,878,972	179.88	1.00
0641	Expansion Levy		19,493,105	19,493,105		
0760	Inter-County River Improvement		50,000	50,000		
38 Natural Resources & Parks Total			85,627,512	81,923,907	220.88	1.00
70 Transportation						
0710	Airport					
	0710.1765	Airport Administration	9,662,427	35,254,501	13.00	
	0710.1767	Airport Engineering	865,498		3.00	
	0710.7075	Airport Maintenance and Operations	18,503,035		28.00	
	0710.7076	Airport Community Relations	678,046		2.00	
	Airport Total		29,709,006	35,254,501	46.00	
0716	Airport Construction Transfer		7,700,000			
0726	Stormwater Decant Program		724,719	975,446		
0730	Roads					
	0730.1664	Roads Administration	50,370,521	192,281,976	48.00	1.20
	0730.1669	Roads Engineering Services	13,218,829	1,612,716	125.00	2.25
	0730.1674	Roads Maintenance	67,069,106	9,349,798	240.25	
	0730.1681	Roads Traffic Engineering	24,369,300	9,314,527	70.50	
	0730.7594	Roads CIP and Planning	(5)			
	Roads Total		155,027,751	212,559,017	483.75	3.45
0734	Roads Construction Transfer		59,396,833			
1460M	Marine Division		28,002,082	28,002,082	21.96	2.00
5000M	Transit					
	5000M.5110M	General Manager and Staff	160,131,617	1,260,889,031	75.40	1.25
	5000M.5210M	Transit Operations	497,384,640		2,408.05	
	5000M.5310M	Transit Vehicle Maintenance	298,826,475		666.90	5.00
	5000M.5410M	Transit Power and Facilities	75,760,443		276.00	11.00
	5000M.5510M	Transit Design/Construction	3,349,881		72.00	7.00
	5000M.5710M	Transit Service Development	45,400,198		85.75	1.00
	5000M.5750M	Transit Paratransit/Vanpool	148,916,605	7,444,376	57.25	2.00
	5000M.5810M	Transit Sales/Customer Service	32,448,293		99.10	
	5000M.5950M	Transit Link	54,096,739		200.50	
	Transit Total		1,316,314,891	1,268,333,407	3,940.95	27.25
5002M	Transit Revenue Vehicle Replacement		204,279,532	159,544,992		
5010M	DOT Director's Office					
	5010M.5014M	DOT Director's Administration	8,635,708	3,914,868	20.90	
	5010M.5018M	Office Of Regional Transportation Planning	3,174,364	383,000	10.00	1.00
	DOT Director's Office Total		11,810,072	4,297,868	30.90	1.00
70 Transportation Total			1,812,964,886	1,708,967,313	4,523.56	33.70
93 Community & Human Services						
0350	Federal Housing and Community Development					
	0350.9650	CDBG	5,846,430	5,178,759		
	0350.9653	HOME	3,916,807	3,911,709		
	0350.9656	Other Housing & Community Development	9,131,878	9,869,971	35.50	1.50
	Federal Housing and Community Development Total		18,895,115	18,960,439	35.50	1.50
0936	Employment and Education Resources					
	0936.6800	Youth Training Programs	7,380,081	7,507,039	37.28	1.00

Economic Growth and Built Environment
by Budget Transparency Section

	APPRO NAME	SECTION NAME	2012 Proposed Expenditures	2012 Proposed Revenues	2012 Proposed FTEs	2012 Proposed TLTs
0936	0936.6800	Youth Training Programs	3,973,251	4,229,849	18.00	
	Employment and Education Resources Total		11,353,332	11,736,888	55.28	1.00
93 Community & Human Services Total			30,248,447	30,697,327	90.78	2.50
95 Independent Offices						
0301	Cultural Development Authority		13,030,396	13,030,396		
95 Independent Offices Total			13,030,396	13,030,396		
97 General Fund Transfers						
0697	Physical Environment GF Transfers		2,321,804			
97 General Fund Transfers Total			2,321,804			
Grand Total			1,974,646,508	1,863,400,943	4,930.82	40.20

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